



## The Puducherry Value Added Tax Act, 2007

Act 9 of 2007

**Keyword(s):**

Assessment, Capital Goods, Casual Trader, Dealer, Input Tax, Manufacture, Output Tax, Sale, Tax Invoice, Tax Period, Taxable Turnover, Zero Rated Transaction

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GOVERNMENT OF PUDUCHERRY

LAW DEPARTMENT

No. 440/Leg./2007-LD.

Puducherry, the 3rd December 2007.

The following Act of the Legislative Assembly, Puducherry received the assent of the President of India on the 1st December, 2007 and is hereby published for general information :

**THE PUDUCHERRY VALUE ADDED TAX ACT, 2007**

(Act No. 9 of 2007)

(1-12-2007)

AN

ACT

to provide for the levy and collection of value added tax on the sale or purchase of goods in the Union territory of Puducherry and for matters connected therewith or incidental thereto.

BE it enacted by the Legislative Assembly of Puducherry in the Fifty-eighth year of the Republic of India as follows:-

**CHAPTER – I****PRELIMINARY**

Short title,  
extent and  
commencement.

1. (1) This Act may be called the Puducherry Value Added Tax Act, 2007.

(2) It extends to the whole of the Union territory of Puducherry.

(3) It shall be deemed to have come into force on the 1st day of July 2007.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) “Appellate Assistant Commissioner” means any person appointed to be an Appellate Assistant Commissioner of Commercial Taxes under section 3 of this Act;

(b) “Appellate Tribunal” means the Puducherry Value Added Tax Appellate Tribunal appointed under section 44 of this Act;

(c) “assessee” means a dealer by whom tax is payable either by collecting the same or otherwise;

(d) “assessing authority” means any officer not below the rank of Assistant Commercial Tax Officer authorised by the Commissioner to make any assessment under this Act;

(e) “assessment” means determination of business turnover of a dealer in the prescribed manner to ascertain the tax liability under this Act by self-assessment, re-assessment, and assessment by scrutiny and best judgment assessment;

(f) “Assistant Commercial Tax Officer” means any person appointed by the Commissioner by name or by virtue of his office, to exercise the powers of an Assistant Commercial Tax Officer;

(g) “Assistant Commissioner” means any person appointed to be an ‘Assistant Commissioner of Commercial Taxes’ under section 3 of this Act;

(h) “authorised” means authorised by the Commissioner to perform any duties and exercise any powers under this Act;

(i) “business” includes —

(i) any trade, commerce, manufacture, or any adventure or concern in the nature of trade, commerce, manufacture, whether or not such trade, commerce, manufacture, adventure or concern is carried on with a motive to make gain or profit and whether or not any profit accrues from such trade, commerce, manufacture, adventure or concern; and

(ii) any transaction in connection with or incidental or ancillary to such trade, commerce, manufacture, adventure or concern;

(j) "capital goods" means plant, machinery and equipment used in the business including manufacture of goods;

(k) "casual trader" means a person who, whether as principal, agent or in any other capacity, undertakes occasional transactions of a business nature involving the buying, selling, supplying or distributing of goods in the Union territory, whether for cash or for deferred payment or for commission, remuneration or other valuable consideration, and who does not reside or has no fixed place of business within the Union Territory;

(l) "Commercial Tax Officer" means any person appointed to be a Commercial Tax Officer under section 3 of this Act;

(m) "Commissioner" means any person appointed to be a 'Commissioner of Commercial Taxes' under section 3 of this Act;

(n) "dealer" means any person who carries on the business of buying, selling, supplying or distributing goods, directly or otherwise, whether for cash or for deferred payment or for commission, remuneration or other valuable consideration, and includes —

(i) a company, Hindu undivided family (HUF), partnership firm or other association of persons, whether incorporated or unincorporated which carries on such business;

(ii) a casual trader;

(iii) a commission agent, a broker or a del-credere agent or an auctioneer or a factor or any other mercantile agent,

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- by whatever name called and whether of the same description as hereinbefore or not, who carries on the business of buying, selling, supplying or distributing goods on behalf of any principal;
- (iv) every local branch of a firm or company or association situated outside the Union Territory and a non-resident dealer or an agent of a non-resident dealer;
  - (v) a person who sells goods produced by him by manufacture or otherwise;
  - (vi) a person engaged in the business of transfer, otherwise than in pursuance of a contract, of property in any goods for cash, deferred payment or other valuable consideration;
  - (vii) a person engaged in the business of transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract;
  - (viii) a person engaged in the business of delivery of goods on hire-purchase or any system of payment by instalments;
  - (ix) a person engaged in the business of transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration;
  - (x) a person engaged in the business of supplying by way of or as part of any service or in any other manner

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whatsoever, of goods, being food or any other article for human consumption or any drink (whether or not intoxicating), where such supply or service is for cash, deferred payment or other valuable consideration;

- (xi) a society (including a co-operative society), club or firm or an association which, whether or not in the course of business, buys or sells goods from or to its members for cash or for deferred payment or for commission, remuneration or other valuable consideration;
- (xii) an industrial, commercial, banking, insurance or trading undertaking whether or not of the Central Government or any of the State Governments or of a local authority; and
- (xiii) a department of the Central Government or any State Government or any Union Territory Administration or a local authority by name of any panchayat, municipality, Development Authority or any autonomous or statutory body including a Port Trust and the like which, whether or not in the course of business, buys, sells, supplies or distributes goods, directly or otherwise, for cash, or for deferred payment, or for commission, remuneration or other valuable consideration;

(o) "Deputy Commercial Tax Officer" means any person appointed by the Commissioner by name or by virtue of his office, to exercise the powers of a Deputy Commercial Tax Officer;

(p) "Deputy Commissioner" means any person appointed to be a 'Deputy Commissioner of Commercial Taxes' under section 3 of this Act;

(q) "document" means title deeds, writing or inscriptions and includes electronic data stored in tape, disc or such other form that furnishes evidence;

(r) "goods" means all kinds of movable property (other than newspapers, actionable claims, stocks and shares and securities) and includes livestock, all materials, commodities and articles including the goods (tangible or intangible) and property in goods (whether as goods or in some other form) involved in the execution of a works contract, transfer of right to use or hire-purchase or those goods to be used in the fitting out, improvement or repair of movable property and all growing crops, grass or things attached to or forming part of the land which are agreed to be severed before sale or under a contract of sale;

(s) "Government" means the Administrator of the Union Territory appointed by the President under article 239 of the Constitution;

(t) "Government representative" means any person appointed to be the Government representative under section 3 of this Act and includes an officer authorised by the Commissioner under that section to perform the functions on behalf of the Government in proceedings before the Appellate Tribunal, such as —



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- (i) to prepare and sign applications, appeals and other documents;
  - (ii) to appear, represent, and plead;
  - (iii) to receive notices and other processes; and
  - (iv) to do all other acts connected with such proceedings;

(u) "input" means goods purchased by a dealer in the course of his business for resale including deemed sales or for use in manufacturing, processing, packing of other goods for sale;

(v) "input tax" means tax on inputs paid or payable;

(w) "Joint Commissioner" means any person appointed to be a 'Joint Commissioner of Commercial Taxes' under section 3 of this Act;

(x) "manufacture" includes any activity that brings out a change in an article or articles as a result of some process, treatment, labour and results in transformation into a new and different article so understood in commercial parlance having a distinct name, character, use but does not include any such activity as may be notified by the Government as not manufacture for the purposes of this clause;

(y) "output" means goods sold by a dealer;

(z) "output tax" in relation to a dealer means the tax charged or chargeable in respect of goods sold by that dealer;

(za) “place of business” means any place where a dealer purchases or sells goods and includes warehouses, godowns or other places where a dealer stores his goods, processes, produces or manufactures goods or any other place where business activity takes place including the place where the books of accounts are maintained and kept;

(zb) “prescribed” means prescribed by the rules made under this Act;

(zc) “registered dealer” means a dealer registered under this Act;

(zd) “rules” means rules made under this Act;

(ze) “sale” with all its grammatical variations and cognate expressions means every transfer of property in goods (other than by way of mortgage, hypothecation, charge or pledge) by one person to another in the course of business for cash, deferred payment or other valuable consideration and includes—

- (i) a transfer, otherwise than in pursuance of a contract, of property in any goods for cash, deferred payment or other valuable consideration;
- (ii) a transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract;
- (iii) a delivery of goods on hire-purchase or any system of payment by instalments;
- (iv) a transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration;

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- (v) a supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration;
  - (vi) a supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (whether or not intoxicating), where such supply or service, is for cash, deferred payment or other valuable consideration, and such transfer, delivery or supply of any goods shall be deemed to be a sale of those goods by the person making the transfer, delivery or supply and a purchase of those goods by the person to whom such transfer, delivery or supply is made;
  - (vii) every transfer of property in goods, by a department of the Central Government or any State Government or Union Territory Administration or a local authority by name of any panchayat, municipality, Development Authority or any autonomous or statutory body including a Port Trust and the like, for cash or for deferred payment or other valuable consideration, whether or not in the course of business.

*Explanation-1.*— Notwithstanding anything to the contrary contained in this Act or any other law for the time being in force, two independent sales or purchases shall, for the purpose of this Act, be deemed to have taken place—

- (a) when the goods are transferred from a principal to his selling agent and from the selling agent to the purchaser;

(b) when the goods are transferred from the seller to a buying agent and from the buying agent to his principal, if in either case the agent is found —

- (1) to have sold the goods at one rate and to have passed on the sale proceeds to his principal at another rate; or
- (2) to have purchased the goods at one rate and to have passed the same on to his principal at another rate; or
- (3) not to have accounted to his principal for the entire collections or deductions made by him in the sales or purchases effected by him on behalf of his principal; or
- (4) to have acted for a fictitious or non-existent principal.

*Explanation -II.*— The sale or purchase of goods shall be deemed, for the purposes of this Act, to have taken place in the Union Territory, wherever the contract of sale or purchase might have been made, if the goods are within the Union Territory—

(a) in the case of specific or ascertained goods, at the time the contract of sale or purchase is made, and

(b) in the case of unascertained or future goods at the time of their appropriation to the contract of sale or purchase by the seller or by the purchaser, whether the assent of the other party is prior or subsequent to such appropriation;

(zf) “Schedule” means the Schedules appended to this Act;

(zg) “Secretary” means the Secretary to the Government of Puducherry in-charge of Commercial Taxes;

(zh) “special economic zone unit” means a unit established in the special economic zone as notified under the proviso to sub-section (4) of section 3 and sub-section (1) of section 4 of the Special Economic Zones Act, 2005 and under section 76-A of the Customs Act, 1962 and includes units established under the 100 per cent export oriented scheme, export processing zone scheme, electronic hardware technology park scheme or software technology park scheme, as framed under Export and Import Policy, as formulated under section 5 of the Foreign Trade (Development and Regulation) Act, 1992 and as amended from time to time;

Central  
Act 28  
of 2005.

Central  
Act 52  
of 1962.

Central  
Act 22  
of 1992.

*Explanation.*— For the purposes of this clause, the expression “Special Economic Zone Unit” will also include a “Co-Developer” and a “Developer” as defined respectively in clauses (f) and (g) of section 2 of the Special Economic Zones Act, 2005.

Central  
Act 28  
of 2005.

(zi) “tax” means value added tax, and includes any other tax chargeable under this Act;

(zj) “tax invoice” means a document of sale issued by a dealer to a buyer at the time of sale describing the goods sold, the quantity, value and tax collected thereon and such other information as may be prescribed;

(zk) “tax period” means a calendar month;

(zl) “taxable turnover” means the turnover on which a dealer shall be liable to pay tax as determined after making such deductions from his total turnover and in such manner as may be prescribed;

(zm) "total turnover" means the aggregate turnover in all goods of a dealer at all places of business in the Union Territory, whether or not the whole or any portion of such turnover is liable to tax;

(zn) "turnover" means the aggregate amount for which goods are bought or sold or delivered or supplied or otherwise disposed of in any of the ways referred to in clause (ze), by a dealer either directly or through another, on his own account or on account of others, whether for cash or for deferred payment or other valuable consideration, provided that the proceeds of the sale by a person of agricultural or horticultural produce, other than tea grown within the Union Territory by himself on any land in which he has an interest whether as owner, usufructuary mortgagee, tenant or otherwise shall be excluded from his turnover.

*Explanation-I.*— The expression "agricultural or horticultural produce" shall not include such produce as has been subjected to any physical, chemical or other process for being made fit for consumption, save mere cleaning, grading, sorting or drying.

*Explanation-II.*— Subject to such conditions and restrictions, if any, as may be prescribed in this behalf—

(a) the amount for which goods are sold shall include any sums charged for anything done by the dealer in respect of the goods sold at the time of, or before the delivery thereof;

(b) any cash or other discount on the price allowed, in respect of any sale and any amount refunded in respect of articles returned by customers shall not be included in the turnover; and

*Explanation-III.*— “Turnover” in relation to the transfer of property in goods (whether as goods or in some other form) involved in execution of works contract includes such amount as is arrived at by deducting from the amount of valuable consideration paid or payable to a person for execution of such works contract, the amount representing labour and other charges incurred and profit accrued not in connection with transfer of property in goods for such execution;

(zo) “Union Territory” means the Union Territory of Puducherry;

(zp) “works contract” includes any agreement to carrying out for cash, deferred payment or other valuable consideration, the building, construction, manufacture, processing, fabrication, erection, installation, fitting out, improvement, modification, repair or commissioning, of any movable or immovable property;

(zq) “year” means the financial year; and

(zr) “zero rated transaction” means a transaction of sale of goods on which no tax is chargeable but credit for the input tax related to such sales is allowable.

Appointment  
of various  
authorities  
under this Act.

3. The Government may appoint a Commissioner of Commercial Taxes and as many Joint Commissioners of Commercial Taxes, Deputy Commissioners of Commercial Taxes, Appellate Assistant Commissioners of Commercial Taxes, Assistant Commissioners of Commercial Taxes, a Government representative, Commercial Tax Officers and such other persons with such designations as may be necessary for the purposes of performing the functions respectively conferred on them by or under this Act and such officers shall perform the said functions within such local limits as the Government or any authority or officer authorised in this behalf may assign to them.

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CHAPTER – II  
REGISTRATION

4. Every dealer— Dealers  
liable for  
registration.
- (i) carrying on business before the commencement of this Act; or
- (ii) commencing business after the commencement of this Act,

and whose total turnover in any year is not less than rupees ten lakhs shall be liable to be registered under this Act:

Provided that a dealer exclusively dealing in goods mentioned in the First Schedule shall not be liable for registration.

5. Notwithstanding anything contained in section 4, Compulsory  
registration. the following classes of dealers shall be liable for registration under this Act, irrespective of their quantum of total turnover:—

- (i) every casual trader;
- (ii) every dealer importing goods in the course of business from outside the territory of India to the Union Territory for sale;
- (iii) every dealer exporting goods from the Union Territory to outside the territory of India;
- (iv) every dealer registered or liable to be registered under the Central Sales Tax Act, 1956;
- (v) every dealer residing outside the Union Territory, but carrying on business in the Union Territory and the agent of such non-resident dealer;
- (vi) every commission agent, broker, del-credere agent, auctioneer, or any other mercantile agent, by whatever name called, who carries on the business of buying, selling, supplying or distributing goods on behalf of any principal;



(vii) every dealer in Indian Made Foreign Liquor including beer; and

(viii) every dealer in Bullion and Specie.

Deemed registration.

6. (1) At the time of commencement of this Act, all dealers registered under the Pondicherry General Sales Tax Act, 1967, shall be deemed to be provisionally registered under this Act and required to submit the prescribed application within one month from the date of commencement of this Act for final registration.

Act No. 6  
of 1967.

(2) Where any dealer, other than the dealer mentioned under sub-section (1), liable to be registered under this Act, but failed to do so, shall be deemed to have been registered by the prescribed authority, as if an application to register had been made.

Voluntary registration.

7. A dealer who is not liable to register may also opt for registration in accordance with the provisions of this Act.

Procedure for registration.

8. (1) The Commissioner shall appoint as many number of officers, as may be required from time to time, not below the rank of Assistant Commercial Tax Officer to discharge the function of registering authority.

(2) An application for registration shall be made to the registering authority, in such manner and within such period as may be prescribed and shall be accompanied by a fee of —

(i) ten thousand rupees in respect of medium and large-scale industries;

(ii) five thousand rupees in respect of dealers in Indian Made Foreign Liquor; and

(iii) one hundred rupees in respect of other cases.

(3) If the registering authority is satisfied that the application is in order, it shall register the applicant and issue to him a certificate in the prescribed form specifying all his places of business.

(4) A certificate issued under sub-section (3) shall be valid for a year and shall be renewed from year to year on payment of the fee specified in sub-section (2):

Provided that when a dealer has ceased to do business in any year, and gives notice of the same to the prescribed authority he shall not be liable to pay any registration fee from the commencement of the following year unless he resumes business.

(5) A registered dealer may apply to the registering authority for a copy or copies of the registration certificate for each additional place of business, such as branch, godown, etc. along with a fee of one hundred rupees for each copy, and if the registering authority is satisfied that the application is in order, it shall issue to the registered dealer a copy or copies of the registration certificate.

(6) If the registering authority is satisfied that a registration certificate or a copy thereof is lost or accidentally destroyed, it shall, on an application made by the registered dealer accompanied by a fee of one hundred rupees, issue to him a duplicate of the registration certificate.

(7) No application for registration or for a copy or duplicate of the certificate and no renewal under this section shall be refused, unless the dealer concerned has been given an opportunity of being heard.

(8) A registered dealer shall exhibit at each place of his business the registration certificate, or a duplicate or a copy thereof.

(9) All registered dealers shall quote the registration number in the return, challan, or other document used for the purposes of this Act.

Security.

9. (1) The registering authority shall have power for good and sufficient reasons to demand from time to time from any registered dealer or from a dealer, who has applied for registration under this Act, security or as the case may be, additional security for proper payment of tax and such other amount as may be due, for an amount not exceeding one-half of the tax payable on the turnover of the dealer for the year or as estimated by the registering authority.

(2) The whole or a part of the security furnished by a dealer may be adjusted towards any amount due under this Act or rules framed thereunder:

Provided that the dealer shall be given an opportunity of being heard before the adjustment of the security furnished by him.

Granting of exemption in certain cases.

10. (1) The Government may, from time to time, by notification, exempt from or vary the operation of anyone or all of the provisions of this Act related to registration in respect of specified dealers or class of dealers in any specified goods or class of goods.

(2) Any exemption under sub-section (1), —

(i) may extend to the whole of the Union Territory or to any specified area or areas therein; and

(ii) may be made subject to such restrictions and conditions as may be specified in the notification.

(3) The Government may, by notification, cancel or vary any notification issued under sub-section (1).

Amendment of registration certificate.

11. (1) (a) A registered dealer shall inform the registering authority, in the following circumstances within thirty days, if —

(i) he sells or otherwise disposes of his business or any part thereof, or

(ii) there is any change in ownership of the business including any change in the status, or

(iii) the business is discontinued or the place of business is changed, or

(iv) any change in the name, style or nature of the business, for necessary amendments to be made in the registration certificate.

(b) In case of death of the registered dealer, his legal representative shall inform the registering authority within thirty days for any amendments or may surrender the registration certificate.

(2) The registering authority on receipt of application for amendment or otherwise on his own motion may amend the registration certificate or reject the application within thirty days of the date of receipt of such application, after making such enquiry as he deems fit and after giving reasonable opportunity of being heard.

(3) An amendment of a certificate shall take effect from the date of the event referred to in sub-section (1) which necessitates the amendment, whether or not the information in that behalf is furnished within the time specified in that sub-section:

Provided that, where in consequence of a change in the ownership of a business, the liability to pay tax of a dealer ceases, the amendment of the certificate of registration shall take effect from the date of the submission of application to the registering authority.

(4) Any amendment of a certificate of registration shall be without prejudice to any liability for tax or any such amount due or leviable or for any prosecution for an offence under this Act.

(5) If a dealer fails without sufficient cause to comply with the provisions of sub-section (1), the registering authority may, after giving the dealer a reasonable opportunity of being heard, direct him to pay a penalty of five hundred rupees in addition to the penalty chargeable on the tax due at the rate provided under sub-section (4) of section 37 of this Act.

(6) For removal of doubt, it is hereby mentioned that where a registered dealer,—

- (i) effects a change in the name of his business; or
- (ii) is a firm and there is a change in the constitution of the firm without dissolution thereof; or
- (iii) is a trustee of a trust and there is a change in the trustees thereof; or
- (iv) is a Hindu undivided family and the business of such family is converted into a partnership business with all or any of the co-parceners as partners thereof ; or
- (v) is a firm or a company or a trust or any other organisation and a change occurs in the management of the organisation such as any change of directors or managing directors of the company as the case may be,

then merely by reason of the circumstances aforesaid, it shall not be necessary for the registered dealer to apply for a fresh certificate of registration but it shall be sufficient, on information being furnished, to get the registration amended.

Cancellation  
of registration.

12. (1) In the case of any registered dealer, where—

- (i) the business has been discontinued, transferred as a whole or otherwise disposed of, or
- (ii) the total turnover for two preceding consecutive years is less than rupees ten lakhs, or
- (iii) the dealer dies,

and for such other good and sufficient reason, the registering authority may, either of his own motion or on the application of the dealer, in the case of death

on the application by his legal representative, in the prescribed manner, cancel the registration from such date, as he considers fit having regard to the circumstances of the case.

(2) The cancellation of the registration shall not affect the liability of the dealer to pay tax, any penalty and interest or other amount due for any period prior to the date of cancellation whether such tax, penalty and interest or other amount is assessed before the date of cancellation but remains unpaid, or is assessed thereafter.

(3) On cancellation of registration, in any case, where the dealer has availed input tax credit, any taxable stock and capital goods held shall be deemed to have been sold and tax shall be payable on such goods at their fair market value, except where the business is transferred as going concern to another registered dealer and in accordance with the rules prescribed in this respect under this Act.

(4) A dealer shall, until his registration is cancelled, be liable to pay the registration fees specified in sub-section (2) of section 8 for every year subsequent to that in which he is registered.

13. (1) Every registered dealer who transacts business at places other than his registered place or places of business or employs a travelling salesman or representative to transact business as aforesaid shall obtain a permit issued under this Act authorizing himself or, as the case may be, the travelling salesman or representative so to do. Issue of permit.

(2) The entire turnover of business carried on under the permit shall be included and accounted for by the registered dealer in his account and returns and shall be dealt with as if it were the turnover of business done by the registered dealer himself at the registered place of business.

(3) Every permit holder shall carry the permit on his person and shall produce it on demand by any officer empowered by the Government in this behalf. He shall maintain and produce on demand to any such officer a true and correct account of all the transactions carried on under the permit and also a stock book showing the quantities of goods entrusted to him by the registered dealer, the quantities disposed of from day-to-day by sale or otherwise and the balance on hand at the end of each day.

(4) An application for permit referred to in sub-section (1) shall be made to such authority, in such manner and within such period as may be prescribed and shall be accompanied by such fee not exceeding one hundred rupees as may be prescribed.

*Explanation.*— A separate application with a separate fee shall be necessary for the registered dealer and for each travelling salesman or representative employed by him.

(5) If the prescribed authority is satisfied that the application is in order, it shall issue the permit in the form as may be prescribed.

(6) A permit issued under sub-section (5) shall be valid for a year and shall be renewed from year to year on receipt of an application from the registered dealer accompanied by such fee not exceeding one hundred rupees as may be prescribed.

(7) If the prescribed authority is satisfied that the permit issued under sub-section (5) is lost or accidentally destroyed, it shall on application by the registered dealer accompanied by a fee of one hundred rupees, issue to him a duplicate of the permit.

(8) The prescribed authority shall cancel a permit,—

(a) on requisition made in writing by the registered dealer; and

(b) on the cancellation of the certificate of registration.

(9) The prescribed authority may cancel a permit if the permit holder has contravened any of the terms or conditions of the permit or any of the provisions of this Act or the rules made thereunder.

(10) No application for a permit or for a duplicate thereof shall be refused and no permit shall be cancelled under clause (b) of sub-section (8) unless the registered dealer has been given a reasonable opportunity of being heard and no permit shall be cancelled under sub-section (9) unless the permit holder has been given a reasonable opportunity of being heard.

### CHAPTER – III

#### INCIDENCE AND LEVY OF TAX

14. (1) Every dealer registered or liable to be registered under this Act, (other than a casual trader, a non-resident dealer) whose total turnover for a year exceeds rupees ten lakhs and every casual trader or agent of a non-resident dealer, whatever be his turnover for the year, shall pay a tax on the taxable turnover in each tax period at the rate and at the point as specified in the Schedules. Levy and incidence of tax.

(2) Notwithstanding anything contained in sub-section (1), every dealer, other than,—

- (i) a casual trader, or
- (ii) a non-resident dealer or its agent, or
- (iii) a dealer in Indian Made Foreign Liquor,

whose total turnover for a year exceeds rupees ten lakhs, shall not be liable to pay tax on the first ten lakhs of rupees of his total turnover, provided that no amount by way of tax or purporting to be by way of tax has been collected by him under this Act in respect of that first ten lakhs of rupees.

(3) The spares and accessories to the goods specified in the Schedules shall be taxable at the same rate as applicable to the goods whether specifically mentioned therewith or otherwise.



(4) When goods are sold in containers or packed in any packing material, the rate of tax applicable to such containers or packing materials, as the case may be, shall, whether the price of the containers or packing materials is charged separately or not, be the same as those applicable to the goods contained or packed therein and the turnover in respect of such containers and packing materials shall be included in the turnover of such goods.

(5) When goods contained in container or packed in packing material is exempt from tax, then the sale of such containers or packing materials shall also be exempt from tax.

(6) Notwithstanding anything contained in this Act, every dealer registered under sub-section (3) of section 7 of the Central Sales Tax Act, 1956 shall, whatever be the quantum of his turnover, pay tax, for each year, in respect of the sale of the goods with reference to the purchase of which he has furnished a declaration under sub-section (4) of section 8 of the said Central Act, in accordance with the provisions of this Act. Central Act 74 of 1956.

Tax liability for works contract.

15. (1) Every dealer who executes any works contract shall be liable to pay tax on the sale value of goods involved in the execution of works contract whether or not the transfer of property on such goods occurred in the same form or in some other form, at the rate specified in Schedules for such goods.

(2) However the dealer executing works contract may opt to pay tax by way of composition a tax at four per cent on seventy per cent of the value of the consideration received or receivable. Such option shall be in force for a period of not less than three years.

(3) Deduction of tax at source in works contract.—

(i) Notwithstanding anything contained in this Act, every person responsible for paying any sum to any dealer for execution of works contract shall,

at the time of payment of such sum, deduct an amount calculated, at the rates as specified under section 14 or as specified in sub-section (2) of this section:

Provided that no deduction under clause (i) shall be made where—

- (a) no transfer of property in goods (whether as goods or in some other form) is involved in the execution of works contract; or
- (b) transfer of property in goods (whether as goods or in some other form) is involved in the execution of works contract in the course of inter-State trade or commerce or in the course of import; or
- (c) the dealer produces a certificate in such form as may be prescribed from the assessing authority concerned that he has no liability to pay or has paid the tax under section 14 or under sub-section (2) of this section, as the case may be.

*Explanation.*— For the purpose of this section,—

(I) the term 'person' shall include —

(i) the Central or a State Government or a Union Territory Administration including National Capital Territory of Delhi;

(ii) a local authority;

(iii) a corporation or body established by or under a Central or State Act or under any law passed by the Union Territory Legislature;

(iv) a company incorporated under the Companies Act, 1956 including a Central or State Government undertaking;

(v) a society including a co-operative society;

(vi) an educational institution; or

(vii) a trust;

(II) the term "civil works contract" includes civil works of construction of new buildings, bridge, road, runway, dam or canal including any lining, tiling, painting or decorating which is an inherent part of the new construction and any repair, maintenance, improvement or upgradation of such civil works by means of fixing and laying all kinds of floor tiles, mosaic tiles, slabs, stones, marbles, glazed tiles, painting, polishing, partition, wall panelling, interior decoration, false ceiling, carpeting and extra fittings, or any manner of improvement on an existing structure.

(ii) Any person making such deduction shall deposit the sum so deducted to such authority, in such manner and within such time, as may be prescribed.

(iii) Any person who makes the deduction and deposit, shall within fifteen days of such deposit, issue to the said dealer a certificate in the prescribed form for each deduction separately, and send a copy of the certificate of deduction to the assessing authority, having jurisdiction over the said dealer together with such documents, as may be prescribed.

(iv) On furnishing a certificate of deduction referred to in clause (iii), the amount deposited under clause (ii), shall be adjusted by the assessing authority towards tax liability of the dealer under section 14 or this section as the case may be, and shall constitute a good and sufficient discharge of the liability of the person making deduction to the extent of the amount deposited:

Provided that the burden of proving that the tax on such works contract has already been deposited and of establishing the exact quantum of tax so deposited shall be on the dealer claiming the deduction.

(v) Any person who contravenes the provisions of clause (i) or clause (ii), shall pay, in addition to the amount required to be deducted and deposited, penalty at two per cent per month of such amount for the entire period of default.

(vi) Where the dealer proves to the satisfaction of the assessing authority that he is not liable to pay tax under section 14 or under sub-section (2) of this section, the assessing authority shall refund the amount deposited under clause (ii), after adjusting the arrears of tax, if any, due from the dealer, in such manner as may be prescribed.

(vii) The tax or penalty or interest under this section shall become due without any notice of demand on the date of accrual for the payment by the person as provided under clauses (i) and (ii).

(viii) If any person contravenes the provisions of clause (i) or clause (ii), the whole amount of tax payable shall be recovered from such person and all provisions of this Act for the recovery of tax including those relating to levy of penalty and interest shall apply, as if the person is an assessee for the purpose of this Act.

16. (1) *Input Tax Credit (ITC)*— For the purpose of calculating the net tax (VAT) payable by a dealer for each tax period, an input tax credit shall be allowed against the output tax subject to such conditions or restrictions or adjustments, if any, as may be prescribed for the purposes of this section : Tax payable.

Provided that,—

(i) for all capital goods except those provided under sub-section(2), the input tax credit shall be allowed in three years by equal monthly instalments commencing from the month following the commencement of commercial production or sale of taxable goods;

(ii) when the input is transferred, either in same form or otherwise, other than by way of sale and if such transfer is outside the Union Territory, the input tax credit shall be allowed for the input tax paid in excess of the rate prescribed under sub-section (1) of section 8 of the Central Sales Tax Act,1956.

- (2) The input tax credit shall not be allowed,—
- (i) when the input is used for manufacture of exempted goods;
  - (ii) when the goods purchased are consumed for own use (*i.e.*) not connected with the business of the dealer;
  - (iii) in respect of following goods:—
    - (a) Indian Made Foreign Liquor;
    - (b) sugarcane (sugarcane is taxable at the point of purchase and such purchase tax is not eligible for input tax credit);
    - (c) all kinds of pan masala with or without tobacco;
    - (d) narcotics;
    - (e) civil structure and immovable goods or properties;
    - (f) building material used in construction activity, except when used by a works-contractor;
    - (g) office equipment;
    - (h) capital goods purchased prior to the date of commencement of this Act or capital goods purchased by dealers in IMFL, rectified spirit, narcotics, pan masala with or without tobacco after the commencement of this Act;
    - (i) petrol, diesel, aviation turbine fuel and other motor spirit;
    - (j) Molasses; and
    - (k) Rectified spirit;
  - (iv) for goods purchased prior to twelve months from the date of commencement of this Act:

Provided that input tax credit will be allowed for the stock held on the date of commencement of this Act subject to such terms and conditions as may be prescribed:

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Provided further that such goods are falling within the list of goods specified in Part-A of the Second Schedule, Part-A of the Third Schedule or Part-A of the Fourth Schedule to this Act ;

(v) for goods purchased from non-taxable dealers;

(vi) for goods purchased from a dealer paying tax on compounded rate, as provided under sub-section (2) of section 15 and under section 19 of this Act; and

(vii) for a casual trader.

(3) The input tax credit shall, at no time, exceed the amount of tax payable at the prescribed rate in Schedule applicable to the input.

(4) Where the dealer has not adjusted the input tax credit or has not made a claim for refund within the prescribed period from the date of accrual of such input tax credit, such credit shall lapse to Government.

(5) Where input tax credit is availed by a dealer on a taxable purchase and such input tax credit shall be liable for reversal in such circumstances and subject to such conditions as may be prescribed.

(6) No registered dealer shall be entitled to input tax credit in respect of—

(a) goods purchased and accounted for in business but utilized for the purpose of providing facility to the proprietor or partner or Director including employees and in any residential accommodation; or

(b) purchase of all automobiles including commercial vehicles, two wheelers and three wheelers and spare parts for repair and maintenance thereof, unless the registered dealer is in the business of dealing in such automobile or spare parts; or

(c) purchase of airconditioning units unless the registered dealer is in the business of dealing in such units.

(7) No input tax credit shall be allowed to any registered dealer in respect of any goods purchased by him for sale but given away by him by way of free sample or gift or goods consumed for personal use.

(8) No input tax credit shall be available to a registered dealer for tax paid or payable at the time of purchase of goods, if such —

(i) goods are not sold because of any theft, loss or destruction for any reason, including natural calamity. If a dealer has already availed input tax credit against purchase of such goods there shall be reversal of tax credit; or

(ii) inputs destroyed in fire accident or lost while in storage even before use in the manufacture of final products; or

(iii) inputs damaged in transit or destroyed at some intermediary stage of the manufacture.

(9) *Calculation of taxable turnover when sale price is inclusive of tax.*— Notwithstanding the provisions in clause (zj) of section 2, when sale price shown in a tax invoice is inclusive of tax, the taxable turnover for that invoice may be calculated applying the following formula, namely:-

$$\frac{\text{Tax inclusive of sale proceeds} \times 100}{(100 + \text{Rate of Tax})}$$

Refund of tax paid  
in certain cases.

17. (1) Where a tax at the point of last purchase in the Union Territory has been levied and collected under this Act in respect of goods liable to tax at such point and where the said purchase ceases to be the last purchase in the Union Territory by reason of a subsequent purchase of such goods by another dealer in the Union Territory, the tax so levied and collected shall be refunded to the dealer concerned in such manner and subject to such conditions as may be prescribed.

(2) The Government may, by rules made under this section, provide for refund of tax levied and collected under this Act on any taxable goods in the series of sales or purchases.

Central Act 74  
of 1956.

18. The provisions of this Act relating to taxation of successive sales or purchases inside the Union Territory shall apply only to sales or purchases inside the Union Territory (other than sales or purchases in the course of inter-State trade or commerce) and the tax under this Act shall be levied in addition to any tax levied under the Central Sales Tax Act, 1956 or any other law for the time being in force.

Tax under this Act to be in addition to tax under the Central Sales Tax Act, 1956 or any other law.

Central Act 74  
of 1956.

19. (1) Notwithstanding anything contained in section 14, the dealer whose sales turnover under this Act and under the Central Sales Tax Act, 1956 does not exceed to rupees fifty lakhs in a year may at his option, instead of paying the tax at the rates specified in the Schedules, pay by way of composition, tax at the rate of 0.25 per cent of his taxable turnover:

Payment of tax at compounded rates.

Provided that,

(i) such dealer will not be eligible for input tax credit; and

(ii) the dealers in the following goods are not eligible to exercise the option under this section,—

- (a) Indian Made Foreign Liquor,
- (b) sugarcane,
- (c) all kinds of pan masala with or without tobacco,
- (d) narcotics, and
- (e) rectified spirit.

Central Act 74  
of 1956.

(2) Any dealer other than a casual trader who estimates his sales turnover under this Act and under the Central Sales Tax Act, 1956 for a year to be not more than rupees fifty lakhs, may apply to the assessing authority to be permitted to pay the tax under this section and on being so permitted, he shall pay the tax due during the year in monthly or in prescribed instalments and for that purpose, shall submit such returns in such manner as may be prescribed :



Provided that any dealer paying tax under any other section and desirous of paying tax for any year under this section may, at any time, within one month of the commencement of that year, exercise his option to pay tax under this section and for that purpose shall submit such returns in such manner as may be prescribed:

Provided further that any dealer paying tax under this section and desirous of paying tax under any other sections may, at any time, within one month of the commencement of that year, exercise his option to pay tax in accordance with that sub-section or section and for that purpose shall submit such returns in such manner as may be prescribed.

(3) The permission granted by the assessing authority under sub-section (2) shall continue in force so long as the dealer is eligible to be assessed under this section and has not withdrawn his option to be so assessed:

Provided that during the course of a year if the turnover of any dealer, permitted to be assessed under this section, exceeds rupees fifty lakhs, the permission so granted shall be deemed to have been cancelled from the end of that tax period in which his sales turnover under this Act and under the Central Sales Tax Act, 1956 so exceeded.

Central Act 74  
of 1956.

(4) The tax paid under sub-section (2) shall be subject to such adjustment as may be prescribed.

(5) A dealer who has been permitted to pay the tax under sub-section (2) shall not collect any amount by way of tax or purporting to be by way of tax on the sales so long as he opts to pay the tax as provided under sub-section (1).

Exemption from  
tax.

20. Subject to such restrictions and conditions as may be prescribed, a dealer who deals in the goods specified in the First Schedule shall not be liable to pay any tax under this Act in respect of such goods.

Central Act 74  
of 1956.

21. The sale of goods falling within the scope of section 3 and sub-sections (1), (3) and (5) of section 5 of the Central Sales Tax Act, 1956 and clause (zh) of section 2 of this Act shall be zero rated transactions as defined under clause (zr) of section 2;

22. Where in the case of any goods tax is leviable in a series of sales or purchases, such series shall,—  
(a) in the case of goods imported into the Union Territory either from outside the territory of India or from any other State in India, be deemed to commence at the stage of the sale or purchase effected immediately after the import of such goods;

(b) in the case of goods exported out of the Union Territory to any place outside the territory of India or to any other State in India, be deemed to conclude at the stage of sale or purchase effected immediately before the export of such goods:

Central Act 74  
of 1956.

Provided that in the case of goods exported out of the Union Territory to any place outside the territory of India, where the sale or purchase effected immediately before export of such goods is, under sub-section (3) of section 5 of the Central Sales Tax Act, 1956, a sale or purchase in course of export, the series of sales or purchases of such goods shall be deemed to conclude at the stage of the sale or purchase immediately preceding such sale or purchase in the course of export.

23. (1) The burden of proving that any dealer or any of his transactions is not liable to tax under this Act shall lie on such dealer.

(2) For the purpose of claim of input tax credit, the burden of proving such claim shall lie on such dealer.

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**CHAPTER – IV**  
**ASSESSMENT**

Assessment of  
tax.

24. (1) Every registered dealer shall file a tax return for each tax period within fifteen days after end of the period in such manner as may be prescribed.

(2) The returns submitted by the dealer along with tax due thereon shall be accepted as self-assessed:

Provided that the assessing authority may select either at his discretion or as directed by the Commissioner, any dealer for detailed assessment for a year by scrutiny of accounts and may make best judgement assessment if so required, where-

(a) a person fails to file a return as required under sub-section (1); or

(b) the assessing authority is not satisfied with the correctness and completeness of a return filed by a person; or

(c) the Commissioner has reasonable ground to believe that a person will become liable to pay tax under this Act but is unlikely to pay the amount due.

(3) When making any assessment under sub-section (2), the assessing authority may also direct the dealer to pay in addition to the tax assessed, a penalty not exceeding double the amount of tax due on the turnover that was not disclosed by the dealer in his return or, in the case of failure to submit a return, double the amount of tax assessed, as the case may be:

Provided that before taking action under this sub-section, the dealer shall be given a reasonable opportunity of being heard.

(4) The assessing authority shall serve a notice of assessment on completion of assessment under this section and the dealer shall pay the balance of tax in accordance with the terms of that notice.

(5) Subject to sub-section (6) of this section, no assessment under this section for any year shall be made after a period of three years from the end of the year to which the return under this Act relates.

(6) Where, for any reason, the input tax credit has been availed wrongly or where any dealer produces false invoice, vouchers, declaration certificate or any other documents with a view to support his claim of input tax credit or refund, the assessing authority shall, at any time, within a period of five years from the end of the year to which the return relates, reverse input tax credit availed and determine the tax due after making such an enquiry as it may consider necessary:

Provided that no order shall be passed under this sub-section without giving the dealer a reasonable opportunity to show cause against such order.

25. (1) Where the authority prescribed has reason to believe that any goods of a fair market value exceeding Rs. 5,000 (Rupees five thousand only) have been sold or purchased by a dealer, to or from another dealer or person, as the case may be, for a consideration which is less than fair market price of the goods and that consideration for such sale or purchase as agreed to between the parties has not been truly stated in the invoice or delivery challan or any other document relating thereto, with the object of facilitating the reduction or evasion of the tax payable under this Act, the authority prescribed may, subject to the provisions of this section, initiate proceedings for seizure and the acquisition of such goods.

(2) The powers conferred under sub-section (1) shall be exercised by the authority prescribed in respect of goods sold or purchased which are in transit or in the possession of the seller or buyer or his agent.

(3) In any proceedings under this section in respect of any goods which have been sold or purchased for a consideration which is less than its fair market price, it shall be presumed, unless the contrary is proved, that the consideration for such sale as agreed to between the parties has not been truly stated in the invoice, or sale bill or other documents related thereto with such object as is referred to in sub-section (1).

(4) Before initiating such proceedings, the authority prescribed shall record his reasons for doing so and no orders shall be passed under sub-section (1) without giving the dealer concerned an opportunity of being heard.

(5) No such proceedings shall be initiated unless the authority prescribed has reason to believe that the fair market price of the goods exceeds the consideration therefor by more than twenty per cent.

(6) Where any goods are acquired under this section the authority prescribed shall pay for such acquisition compensation which shall be a sum equal to the aggregate of the amount of sale price of the goods mentioned in the invoice or delivery challan or any document related thereto and any expenditure incurred on freight or any other incidental expenses incurred by the dealer concerned in relation to those goods.

*Explanation.*— For the purposes of this section, 'fair market value' means the price that the goods would ordinarily fetch on sale in the open market on the date of sale or despatch or transfer of such goods.

(7) If the assessing authority is satisfied that a dealer has, with a view to evade the payment of tax, shown in his accounts, sales or purchases of any goods, at prices which are abnormally low compared to the prevailing market price of such goods, it may at any time within a period of five years from the expiry of the year to which the tax relates, assess or re-assess the dealer to the best of its judgement on the turnover of such sales or purchases after making such enquiry as it may consider necessary and after giving the dealer a reasonable opportunity to show cause against such assessment.

Revised return.

26. If any registered dealer discovers any mistake or error in any return furnished by him, he may furnish a revised return subject to following conditions:

(a) A dealer shall not be eligible to furnish revised return if any action, either has been initiated or is pending under section 24 or section 30 or under any other section of this Act.

(b) If any amount is becoming due for refund as per revised return, such revised return shall be furnished within three months from the close of the year to which such return relates to and shall be accompanied by an application stating the circumstances on which the revised return is filed. The refund will be due only after confirmation by the assessing authority by issue of a notice as may be prescribed.

(c) If any amount is due to be paid by a dealer as per revised return, such return may be furnished at any time and will be accepted by the assessing authority, if the return is accompanied by the proof of payment of balance tax as per the revised return and penalty as prescribed under sub-section (4) of section 37 of this Act.

27. When a dealer receives in any year any amount, due to price variation which would have been in his turnover for any previous tax period if it had been received by him during that period, it shall be deemed to be the turnover during the tax period in which such amount was received and he shall, during the tax period in which such amount was received, include such amount in the return separately for the tax period and the assessing authority shall proceed to assess the tax payable on such amount as his turnover of that tax period. Adjustment.

28. No assessment or other proceedings purporting to be made, issued or executed under this Act, shall be,— Assessment  
not  
voidable.

(a) quashed or deemed to be void or voidable for want of form; or

(b) affected by reason of mistake, defect or omission therein, if it is in substance and effect, in conformity with this Act or the rules made thereunder and the person assessed, or intended to be assessed or affected by the document is designated in it according to common understanding.

Assessment of  
legal  
representative.

29. Where a dealer dies, his executor, administrator, or other legal representative shall be deemed to be the dealer for the purposes of this Act and the provisions of this Act shall apply to him in respect of the business of the said deceased dealer, provided that in respect of any tax or fee assessed as payable by any such dealer or any tax or fee which would have been payable by him under this Act if he had not died, the executor, administrator or other legal representative shall be liable only to the extent of the assets of the deceased in his hands.

Assessment of  
escaped turnover.

30. (1) Where, for any reason, the whole or any part of turnover of business of a dealer has escaped assessment to tax, the assessing authority may, subject to the provisions of sub-section (3), at any time within a period of five years from the expiry of the year to which the return under this Act relates, determine to the best of its judgment the turnover which has escaped assessment and assess the tax payable on such turnover after making such enquiry as it may consider necessary and after giving the dealer a reasonable opportunity to show cause against such assessment.

(2) Where, for any reason, the whole or any part of the turnover of business of a dealer has been assessed at a rate lower than the rate at which it is assessable, the assessing authority may, at any time within a period of five years from the expiry of the year to which the return under this Act relates, re-assess the tax due after making such enquiry as it may consider necessary and after giving the dealer a reasonable opportunity to show cause against such re-assessment.

(3) In making an assessment under sub-section (1), the assessing authority may, if it is satisfied that the escape from assessment is due to non-disclosure of assessable turnover by the dealer, direct the dealer to pay, in addition to the tax assessed under sub-section (1), a penalty of double the amount of the tax so assessed:

Provided that no penalty shall be imposed under this section unless the dealer affected has had a reasonable opportunity of showing cause against such imposition.

(4) The powers under sub-section (1) or sub-section (2) may be exercised by the assessing authority even though the original order of assessment, if any, passed in the matter has been the subject matter of an appeal or revision.

(5) In computing the period of limitation for assessment or re-assessment under this section, the time during which the proceedings for assessment or re-assessment remained stayed under the orders of a Civil Court or other authority shall be excluded.

31. The Government may, by notification, reduce the tax payable under sub-section (1) of section 14 of this Act in respect of any goods, subject to such restrictions and conditions as may be specified in the notification.

Power of Government to notify reductions of tax.

32. If any restriction or condition notified under section 31 is contravened or is not observed by a dealer, the sales or purchases of such dealer may, with effect from the commencement of the year in which such contravention or non-observance took place, be assessed to tax or taxes under the appropriate provisions of this Act as if the provisions of the notification under section 31 did not apply to such sales or purchases.

Liability to tax persons not observing restrictions and conditions notified under section 31.

33. (1) Where any firm is liable to pay any tax or other amount under this Act, the firm and each of the partners of the firm shall be jointly and severally liable for such payment.

Liability of firms.

(2) Where a partner of a firm liable to pay any tax or any amount under this Act retires, he shall, notwithstanding any contract to the contrary, be liable to pay the tax or other amount remaining unpaid at the time of his retirement and any tax or other amount due up to the date of retirement, though un-assessed.

34. Where a dealer is a Hindu undivided family, firm, or other association of persons, and such family, firm or association is partitioned, or dissolved, as the case may be,—

Payment of tax when Hindu undivided family, firm or other association of persons is partitioned or dissolved.



(a) the tax payable under this Act by such family, firm, or association of persons for the period up to the date of such partition or dissolution shall be assessed as if no such partition or dissolution had taken place and all the provisions of this Act apply accordingly; and

(b) every person who was at the time of such partition, or dissolution a member or partner of the Hindu undivided family, firm or association of persons and the legal representative of any such person who is deceased shall, notwithstanding such partition or dissolution, be jointly and severally liable for the payment of the tax, penalty or other amount payable under this Act, by such family, firm or association of persons, whether assessment is made prior to or after such partition or dissolution.

#### CHAPTER – V

##### COLLECTION AND RECOVERY

Collection of tax by dealer.

35. No person who is not a registered dealer shall collect any amount by way of tax under this Act; nor shall a registered dealer make any such collection except in accordance with such conditions and restrictions, if any, as may be prescribed.

Levy of penalty in certain cases.

36. If any person after purchasing any goods in respect of which he has made a declaration fails without reasonable excuse to make use of the goods for the declared purpose, the assessing authority may, after giving him a reasonable opportunity of being heard, by order in writing impose upon him by way of penalty, double the amount of tax payable on the turnover relating to the sale of such goods at a rate which is equal to the rate prescribed in the Schedules less the tax already paid on such turnover :

Provided that no prosecution for an offence under section 59 shall be instituted in respect of the same facts on which a penalty has been imposed under this section.

37. (1) The tax assessed under this Act shall be paid in such manner and in such instalments, if any, and within such time as may be specified in the notice of assessment, not being less than twenty-one days from the date of service of the notice. If default is made in paying according to the notice of assessment, the whole of the amount outstanding on date of default shall become immediately due and shall be a first charge on the properties of the dealer liable to pay the tax under this Act.

Payment  
and  
recovery  
of tax.

(2) Where during the pendency of any proceedings under this Act, or after the completion thereof, any dealer or person creates a charge on, or parts with the possession by way of sale, mortgage, gift, exchange, or any other mode of transfer whatsoever, of any of his assets in favour of any other person, with the intention to defraud the revenue, such charge or transfer shall be void as against any claim in respect of any tax, or any other sum payable by the dealer as a result of completion of such proceedings or otherwise:

Provided that, such charge or transfer shall not be void if it is made,—

(a) for adequate consideration and without notice of the pendency of such proceeding or as the case may be without notice of such tax or any other sum payable by such dealer; or

(b) with the previous permission of the assessing authority.

(3) Any tax assessed, any fee or any other amount due under this Act from a dealer or person and in respect of which no appeal or revision or such other proceedings as provided under this Act is pending before any authority or Appellate Tribunal or High Court, may, without prejudice to any other mode of collection be recovered, —

(a) as if it were an arrear of land revenue under the law for the time being in force in that behalf; or

(b) on application to any Judicial Magistrate, by such Judicial Magistrate as if it were a fine imposed by him.

(4) If the tax assessed under this Act or any instalment thereof is not paid by any dealer or person within the time specified therefor in the notice of assessment or in the order permitting payment in instalment, the dealer or person shall pay by way of penalty, in addition to the amount due, a sum equal to two per cent. of such amount for each month or part thereof after the date specified for its payment.

(5) If any person collects any amount by way of tax and his turnover for the year falls short of the taxable limit specified, the sum so collected shall be remitted to the Government and forfeited wholly.

Recovery of penalty.

38. Any penalty payable under this Act shall be deemed to be tax under this Act for the purposes of collection and recovery and shall be without prejudice to the institution of any proceeding for an offence under this Act, or for the recovery of the entire amount remaining unpaid under this Act.

Further mode of recovery.

39. (1) The assessing authority may at any time or from time to time, by notice in writing (a copy of which shall be forwarded to the dealer at his last address known to the assessing authority) require any person from whom money is due or may become due to the dealer or any person who holds or may subsequently hold money for or on account of the dealer to pay to the assessing authority, either forthwith upon the money becoming due or being held at or within the time specified in the notice (not being before the money becomes due or is held) so much of the money as is sufficient to pay the amount due by the dealer in respect of arrears of tax or fee or the whole of the money when it is equal to or less than the arrears of tax or fee.

(2) The assessing authority may at any time or from time to time amend or revoke any such notice or extend the time for making any payment in pursuance of the notice.

(3) Any person making any payment in compliance with a notice under this section shall be deemed to have made the payment under the authority of the dealer and the receipt of the assessing authority shall constitute good and sufficient discharge of the liability of such person to the extent of the amount referred to in the receipt.

(4) Any person making any payment to the dealer after receipt of the notice referred to in this section shall be personally liable to the assessing authority to the extent of the payment made or to the extent of the liability of the dealer for the amount due under this Act, whichever is less.

(5) Where any person to whom a notice under this section is sent objects to it on the ground that the sum demanded or any part thereof is not due by him to the dealer, or that he does not hold any money for or on account of the dealer, then nothing contained in this section shall be deemed to require such person to pay the sum demanded or any part thereof to the assessing authority.

(6) Any amount which a person is required to pay to the assessing authority or for which he is personally liable to the assessing authority under this section shall, if it remains unpaid, be a charge on the properties of the said person and may be recovered as if it were an arrear of land revenue.

*Explanation.*— For the purposes of this section, the amount due to a dealer or money held for or on account of a dealer by any person shall be computed after taking into account such claims, if any, as may have fallen due for payment by such dealer to such person and as may be lawfully subsisting.

40. (1) Where, during the pendency of any proceeding for the assessment of any turnover or for the assessment or reassessment of any turnover which has escaped assessment, an officer not below the rank of the Assistant Commercial Tax Officer and who is

Provisional attachment of property to protect revenue in certain cases.

empowered to perform the function of Collector under the Pondicherry Revenue Recovery Act, 1970 is of the opinion that for the purpose of protecting the interests of the revenue it is necessary so to do, may, by order in writing, attach provisionally in the prescribed manner any property belonging to the dealer or person :

Act No. 14  
of 1970.

Provided that the stock-in-trade in the case of a trader and plant and machinery and inputs in the case of a manufacturer shall not be liable for provisional attachment.

(2) Every such provisional attachment shall cease to have effect after the expiry of a period of six months from the date of the order made under sub-section (1) of this section:

Provided that the officer who is exercising powers under sub-section (1) may, for reasons to be recorded in writing, extend the aforesaid period by such further period or periods as he thinks fit, so, however, that the total period of extension shall not in any case exceed two years.

Recovery of tax  
where business  
of dealer is  
transferred.

41. Where the ownership of the business of a dealer liable to pay tax or other amount is transferred, any tax or other amount payable under this Act in respect of such business and remaining unpaid at the time of the transfer and any tax or other amount due up to the date of transfer though un-assessed, may, without prejudice to any action that may be taken for its recovery from the transferor, be recovered from the transferee as if he was the dealer liable to pay such tax or other amount:

Provided that the recovery from the transferee of the arrears of taxes due for the period prior to the date of the transfer shall be limited to the value of the assets he obtained by transfer.

Special powers for  
recovery.

42. For the purposes of recovery of any amount due under this Act, any Joint Commissioner of Commercial Taxes, Deputy Commissioner of Commercial Taxes or Assistant Commissioner of Commercial Taxes shall have the powers of a Collector under the Pondicherry Revenue Recovery Act, 1970, and shall follow for recovering such amounts the procedures laid down in that Act.

Act No. 14  
of 1970.

43. (1) Notwithstanding that any recovery proceeding initiated under this Act, the Assessing Officers or any other officers authorised in this regard, shall have power to withhold issue of statutory or other declaration forms to a dealer from whom any tax or penalty, interest or any other amount payable under this Act is due. Withholding issue of statutory forms and seizure of goods.

(2) The Assessing Officer or any other authorised officer empowered in this regard shall also have the power to seize and confiscate goods being transported by a dealer from whom tax, penalty, interest or any other amount payable under this Act is due.

#### CHAPTER – VI

##### APPEAL AND REVISION

44. (1) The Government shall appoint a Judicial Officer who is otherwise qualified to be appointed as a District and Sessions Judge to be the Appellate Tribunal and to exercise the functions conferred under the Act : Appellate Tribunal.

Provided that the Government may entrust the duties of the Appellate Tribunal to the Principal District and Sessions Judge, Puducherry.

(2) The Appellate Tribunal shall, with the previous sanction of the Government, make, by notification, regulations consistent with the provisions of this Act and the rules made thereunder for regulating the procedure and the disposal of its business.

45. (1) Any person objecting to an order passed or proceeding recorded under this Act, for which an appeal has not been provided for in section 47 may, within a period of thirty-days from the date on which a copy of the order or proceeding was served on him in the manner prescribed, file an application for revision of such order or proceeding to the Commissioner : Powers of revision of Commissioner.

Provided that the Commissioner may admit an application for revision presented after the expiration of the said period of thirty days, but within a period of ninety days, if he is satisfied that the applicant had sufficient cause for not presenting the application within the period of thirty days:

Provided also that no application shall be entertained under this sub-section unless it is accompanied by a satisfactory proof of the payment of the tax admitted by the applicant to be due or of such instalment thereof as might have become payable, as the case may be, and fifty per cent of the difference of the tax assessed by the assessing authority and the tax admitted by the applicant.

(2) An application for revision shall be in the prescribed form and shall be verified in the prescribed manner.

(3) On admitting an application for revision, the Commissioner may call for and examine the record of the order or proceeding against which the application has been preferred and may make such inquiry or cause such enquiry to be made and, subject to the provisions of this Act, pass such order thereon as he thinks fit within ninety days from the date of admission of revision application.

(4) Notwithstanding that an application has been preferred under sub-section (1), the tax, fee or other amount shall be paid in accordance with the order or proceeding against which the application has been preferred :

Provided that the Commissioner may, in his discretion, give such directions as he thinks fit, in regard to the payment of such tax, fee or other amount, if the applicant furnishes sufficient security to his satisfaction in such form and in such manner as may be prescribed.

(5) No order under this section shall be passed unless both the applicant and the authority whose order has been disputed have had a reasonable opportunity of being heard.

Special powers of Secretary.

46. (1) The Secretary may, of his own motion, call for and examine an order passed or proceeding recorded by an authority under this Act and may make such enquiry or cause such enquiry to be made and subject to the provisions of this Act may pass such order thereon as he thinks fit.

(2) The Secretary shall not pass any order under sub-section (1) if, —

(a) the time for appeal or revision against that order has not expired; or

(b) the order has been made the subject of an appeal to the Appellate Tribunal or of a revision in the High Court; or

(c) more than four years have expired after the passing of the order; or

(d) that is prejudicial to the revenue.

(3) No order under this section shall be passed unless the concerned person and the authority whose order is under revision have had a reasonable opportunity of being heard.

(4) In computing the period referred to in clause (c) of sub-section (2), the time during which the proceedings before the Secretary remained stayed under the orders of a Civil Court or other competent authority will be excluded.

47. (1) Any person objecting to an order passed by the appropriate authority under section 17, section 24, section 25, section 26, section 27, section 29, sub-section (1), sub-section (2) or sub-section (3) of section 30, section 32, section 36, section 41, sub-section (4) of section 55 or sub-section (2) of section 58 or sub-section (3) of section 80 may, within a period of thirty days from the date on which the order was served on him in the manner prescribed, appeal against such order to the Appellate Assistant Commissioner having jurisdiction :

Appeal to the  
Appellate  
Assistant  
Commissioner.

Provided that the Appellate Assistant Commissioner may admit an appeal presented after the expiration of the said period of thirty days, but within a further period of thirty days, if it is satisfied that the appellant had sufficient cause for not presenting the appeal within the period of thirty days:



Provided also that in the case of an order under section 17, section 24, section 25, section 26, section 27, section 29, sub-section (1), sub-section (2) or sub-section (3) of section 30, no appeal shall be entertained under this sub-section unless it is accompanied by satisfactory proof of the payment of the tax admitted by the appellant to be due or of such instalments thereof as might have become payable, as the case may be and twelve and half per cent of the difference of the tax assessed by the Assessing Authority and the tax admitted by the appellant:

Provided further that the Appellate Assistant Commissioner may, if he thinks fit for reasons to be recorded in writing and subject to furnishing of such security as he deems fit, admit an appeal against such order with part payment or without any payment of the disputed amount of tax required under this sub-section with a view to mitigate undue hardship which is likely to be caused to the person if the payments of such disputed amount is insisted on.

(2) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(3) In disposing of an appeal, the Appellate Assistant Commissioner may, after giving the appellant a reasonable opportunity of being heard,

(a) in the case of an order of assessment —

(i) confirm, reduce, enhance or annul the assessment or the penalty or both; or

(ii) set aside the assessment and direct the assessing authority to make a fresh assessment after such further inquiry as may be directed; or

(iii) pass such other orders as he may think fit; and

(b) in the case of any other order, confirm, cancel or vary such order:

Provided that at the hearing of any appeal against an order of the assessing authority such assessing authority shall have the right to be heard either in person or by a representative.

(4) Where as a result of the appeal any change becomes necessary in the order appealed against, the Appellate Assistant Commissioner may authorise the assessing authority to amend such order accordingly and on such amendment being made, any amount overpaid by the appellant shall be refunded to him without interest, or the further amount of tax, if any, due from him shall be collected in accordance with the provisions of this Act, as the case may be.

(5) Notwithstanding that an appeal has been preferred under sub-section (1) the tax shall be paid in accordance with the order of assessment against which the appeal has been preferred:

Provided that the Appellate Assistant Commissioner may, in its discretion, give such directions as he thinks fit in regard to the payment of the tax before the disposal of the appeal, if the appellant furnishes sufficient security to his satisfaction, in such form and in such manner as may be prescribed.

48. (1) The Secretary may, either on his motion or on application, for reasons to be recorded in writing, transfer an appeal pending before an Appellate Assistant Commissioner to another Appellate Assistant Commissioner. Power to transfer appeals.

(2) The Secretary may, when exercising the powers under sub-section (1), direct the stay of further proceedings before an Appellate Assistant Commissioner.

(3) No order under this section, adversely affecting a person shall be passed unless that person has had a reasonable opportunity of being heard.

49. (1) Any person objecting to an order passed by the Appellate Assistant Commissioner under sub-section (3) of section 47 or an order passed under the proviso to sub-section (4) of section 77 may, within a period of sixty days from the date on which the order was served on him in the manner prescribed, appeal against such order to the Appellate Tribunal : Appeal to the Appellate Tribunal.

Provided that the Appellate Tribunal may admit an appeal presented after the expiration of the said period of sixty days, but within a further period of sixty days, if it is satisfied that the appellant had sufficient cause for not presenting the appeal within the period of sixty days:

Provided further that no appeal filed by any person objecting to an order passed under sub-section (3) of section 47 shall be entertained unless it is accompanied by satisfactory proof of the payment of tax admitted by the appellant to be due or of such instalments thereof as might have become payable, as the case may be, and twenty-five per cent of difference of the tax as ordered by the Appellate Assistant Commissioner and the tax admitted by the appellant:

Provided also that the Appellate Tribunal may, if it thinks fit, for reasons to be recorded in writing and subject to furnishing of such security as the Appellate Tribunal may deem fit, admit an appeal against the order of the Appellate Assistant Commissioner with part payment or without any payment of tax as ordered by the Appellate Assistant Commissioner required under this sub-section with a view to mitigate undue hardship which is likely to be caused to the person if the payment of such amount is insisted on.

(2) The appeal shall be in the prescribed form and shall be verified in the prescribed manner and shall be accompanied by such fee not exceeding one hundred rupees as may be prescribed.

(3) In disposing of an appeal, the Appellate Tribunal may, after giving the appellant a reasonable opportunity of being heard,

- (a) in the case of an order of assessment —
  - (i) confirm, reduce, enhance or annul the assessment or penalty or both; or
  - (ii) set aside the assessment and direct the assessing authority to make a fresh assessment after such further inquiry as may be directed; or
  - (iii) pass such other orders as it may think fit; and

(b) in the case of any other order, confirm, cancel or vary such order:

Provided that at the hearing of any appeal against an order of the Appellate Assistant Commissioner, the assessing authority shall have the right to be heard either in person or by a representative.

(4) Where as a result of the appeal any change becomes necessary in the order appealed against, the Appellate Tribunal may authorise the assessing authority to amend such order accordingly and on such amendment being made, any amount overpaid by the appellant shall be refunded to him without interest, or the further amount of tax, if any, due from him shall be collected in accordance with provisions of this Act, as the case may be.

(5) Notwithstanding that an appeal has been preferred under sub-section (1) the tax shall be paid in accordance with the order of assessment against which the appeal has been preferred:

Provided that the Appellate Tribunal may, in its discretion, give such directions as it thinks fit in regard to the payment of the tax before the disposal of the appeal, if the appellant furnishes sufficient security to its satisfaction, in such form and in such manner as may be prescribed:

Provided further that where an order of stay is made in any proceeding relating to an appeal filed under sub-section (1), the Appellate Tribunal shall dispose of the appeal within a period of ninety days from the date of such order:

Provided also that if such appeal is not disposed of within the period specified in the above proviso, the stay order shall, on the expiry of that period, stand vacated and no further stay shall be granted.

(6) (a) The appellant or the respondent may apply for review of any order passed by the Appellate Tribunal under sub-section (3) on the basis of the discovery of new and important facts which after the exercise of due diligence were not within his knowledge or could not be produced by him when the order was made:

Provided that no such application shall be preferred more than once in respect of the same order.

(b) The application for review shall be preferred in the prescribed manner and within one year from the date on which a copy of the order to which the application relates was served on the applicant in the manner prescribed and where the application is preferred by any party other than a departmental authority it shall be accompanied by such fee not exceeding one hundred rupees as may be prescribed.

(7) Except as provided in the rules made under this Act, the Appellate Tribunal shall not have power to award costs to either of the parties to the appeal or review.

(8) Every order passed by the Appellate Tribunal under the third proviso to sub-section (1), sub-section (3), proviso to sub-section (5) and sub-section (6) shall be communicated in the manner prescribed to the appellant, the respondent, the authority from whose order the appeal was preferred, the Commissioner if he is not such authority, and the Secretary.

(9) Every order passed by the Appellate Tribunal under sub-section (3) shall, subject to the provisions of sub-section (6) and section 51 be final.

Appeal to the High Court.

50. (1) Any person objecting to an order passed by the Commissioner under section 45 or by the Secretary under section 46 may, within a period of sixty days from the date on which the order was served on him in the manner prescribed, appeal against such order to the High Court:

Provided that the High Court may admit an appeal preferred after the expiry of the aforesaid period of sixty days, if it is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

(2) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(3) In disposing of an appeal, the High Court may, after giving the appellant a reasonable opportunity of being heard, —

(a) in the case of an order of assessment—

(i) confirm, reduce, enhance, or annul the assessment or penalty or both; or

(ii) set aside the assessment and direct the assessing authority to make a fresh assessment after such further inquiry as may be directed; or

(iii) pass such other orders as it may think fit; and

(b) in the case of any other order, confirm, cancel or vary such order:

Provided that at the hearing of any appeal the respondent shall have the right to be heard either in person or by a representative.

(4) Where as a result of the appeal any change becomes necessary in the order appealed against, the High Court may authorise the respondent to amend such order accordingly and on such amendment being made, any amount over paid by the appellant shall be refunded to him without interest, or the further amount of tax, if any, due from him shall be collected in accordance with the provisions of this Act, as the case may be.

(5) Every order passed in appeal under this section shall be final.

(6) Notwithstanding that an appeal has been preferred under sub-section (1), the tax shall be paid in accordance with the order against which the appeal has been preferred:

Provided that the High Court may, in its discretion, give such directions as it thinks fit in regard to the payment of the tax before the disposal of the appeal, if the appellant furnishes sufficient security to its satisfaction, in such form and in such manner as may be prescribed.

(7) (a) The appellant or respondent may apply for review of any order passed by the High Court under sub-section (3) on the basis of the discovery of new and important facts which after the exercise of due diligence were not within his knowledge or could not be produced by him when the order was made.

(b) The application for review shall be preferred within such time and in such manner as may be prescribed, and shall, where it is preferred by the appellant, be accompanied by a fee of one hundred rupees.

Revision by  
High Court.

51. (1) Within sixty days from the date on which a copy of the order under sub-section (3) of section 49 is served in the manner prescribed, any person who objects to such order or the Commissioner or any other authority as may be prescribed may prefer a petition to the High Court on the ground that the Appellate Tribunal has either decided erroneously or failed to decide any question of law:

Provided that the High Court may admit a petition preferred after the period of sixty days aforesaid if it is satisfied that the petitioner had sufficient cause for not preferring the petition within the said period.

(2) The petition shall be in the prescribed form, shall be verified in the prescribed manner, and shall, where it is preferred by any party other than the Commissioner or other authority prescribed in this behalf be accompanied by a fee of one hundred rupees.

(3) If the High Court, on perusing the petition, considers that there is no sufficient ground for interfering, it may dismiss the petition summarily:

Provided that no petition shall be dismissed unless the petitioner has had a reasonable opportunity of being heard.

(4) (a) If the High Court does not dismiss the petition summarily, it shall, after giving both the parties to the petition a reasonable opportunity of being heard, determine the question of law raised and either reverse, affirm or amend the order against which the petition was preferred or remit the matter to the Appellate Tribunal, with the

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opinion of the High Court on the question of law raised or pass such order in relation to the matter as the High Court thinks fit.

(b) Where the High Court remits the matter under clause (a) with its opinion on the question of law raised, the Appellate Tribunal shall amend the order passed by it in conformity with such opinion.

(5) Before passing an order under sub-section (4) the High Court may, if it considers it necessary so to do remit the petition to the Appellate Tribunal, and direct it to return the petition with its finding on any specific question or issue.

(6) Notwithstanding that a petition has been preferred under sub-section (1), the tax shall be paid in accordance with the order against which the revision has been preferred:

Provided that the High Court may, in its discretion, give such direction as it thinks fit in regard to the payment of the tax before the disposal of the petitions, if the petitioner furnishes sufficient security to its satisfaction, in such form and in such manner as may be prescribed.

(7) If as a result of the petition any change becomes necessary in such assessment, the High Court may direct the assessing authority to amend the assessment accordingly, and on such amendment being made, any amount overpaid by the assessee shall be refunded to him without interest, or the further amount of tax due from him shall be collected in accordance with the provisions of this Act, as the case may be.

(8) (a) The petitioner or the respondent may apply for review of any order passed by the High Court under clause (a) of sub-section (4) on the basis of the discovery



of new and important facts which after the exercise of due diligence were not within his knowledge or could not be produced by him when the order was made.

(b) The application for review shall be preferred within such time, and in such manner as may be prescribed, and shall where it is preferred by any party other than the Commissioner or the prescribed authority be accompanied by a fee of one hundred rupees.

(9) In respect of every petition or application preferred under sub-section (1), or clause (a) of sub-section (8), the costs shall be at the discretion of the High Court.

Petitions,  
applications and  
appeals to High  
Court to be heard  
by a Bench of not  
less than two  
judges.

52. (1) Every appeal preferred to the High Court under section 50 and every petition under section 51 shall be heard by a Bench of not less than two judges.

(2) Where an appeal is heard by a Bench of two or more judges, the appeal shall be decided in accordance with the opinion of such judges or of the majority (if any) of such judges.

(3) Where there is no such majority, which concurs in a judgement varying or reversing the order appealed from, such order shall be confirmed:

Provided that where the Bench hearing the appeal is composed of two judges and judges composing the Bench differ in opinion on a point of law, they may state the point of law upon which they differ and the appeal shall then be heard upon that point only by one or more other judges of the High Court and such point shall be decided according to the opinion of the majority, if any, of the judges who have heard the appeal including those who first heard it.

**CHAPTER – VII****RECORDS AND INVESTIGATION**

53. Every person registered under this Act, every dealer liable to get himself registered under this Act, and every other dealer who is required so to do by the prescribed authority by notice served in the prescribed manner shall keep and maintain in relation to his business true and correct accounts and such other records as may be prescribed in any of the languages specified in the Eighth Schedule to the Constitution, or in English, showing such particulars as may be prescribed; and different particulars may be prescribed for different classes of dealers.

Maintenance of true and correct accounts and records by dealers.

54. Every dealer whose total turnover in a year exceeds rupees fifty lakhs shall get his accounts audited by Chartered Accountants or Cost Accountants and shall submit a copy of the audited statement of accounts and certificate in the manner prescribed.

Accounts to be audited by Chartered Accountants or Cost Accountants.

55. (1) Any officer empowered by the Commissioner in this behalf may, for the purposes of this Act, require any dealer to produce before him the accounts, registers, records and other documents and to furnish any other information relating to his business.

Powers to order production of accounts and powers of entry, inspection, etc.

(2) All accounts, registers, records and other documents maintained by a dealer in the course of his business, the goods in his possession and his offices, shops, godowns, vessels or vehicles shall be open to inspection at all reasonable times by such officer:

Provided that no residential accommodation not being a place of business-*cum*-residence shall be entered into and searched by such officer except on the authority of a search warrant issued by a Judicial Magistrate having jurisdiction over the area, and all searches under this sub-section shall, so far as may be, be made in accordance with the provisions of the Code of Criminal Procedure, 1973.

Central Act 2 of 1974.

(3) If any such officer has reason to suspect that any dealer is attempting to evade the payment of any tax, fee or other amount due from him under this Act, he may, for reasons to be recorded in writing, seize such

accounts, registers, records or other documents of the dealer as he may consider necessary, and shall give the dealer a receipt for the same. The accounts, registers, records and documents so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceeding under this Act:

Provided that such accounts, registers and documents shall not be retained for more than thirty days at a time except with the permission of the next higher authority.

(4) Any such officer shall have power to seize and confiscate any goods which are found in any office, shops, godowns, vessel, vehicle, or any other place of business or any building or place of the dealer, but not accounted for by the dealer in his accounts, registers, records and other documents, maintained in the course of his business:

Provided that before ordering the confiscation of goods under this sub-section, the officer shall give the person affected an opportunity of being heard and make an inquiry in the prescribed manner:

Provided also that the officer ordering the confiscation shall give the person affected option to pay *in lieu of* confiscation—

(a) in cases where the goods are taxable under this Act, in addition to the tax recoverable, a sum of money not exceeding one thousand rupees or double the amount of tax recoverable, whichever is greater; and

(b) in other cases, a sum of money not exceeding one thousand rupees.

Establishment of check-post or barrier and inspection of goods while in transit.

56. If the Government considers that with a view to prevent or check evasion of tax under this Act, in any place or places in the Union Territory, it is necessary so to do, it may, by notification, direct the setting up of a check-post or the erection of a barrier or both, at such place or places as may be notified.

57. (1) In case of goods vehicle the owner or other person in charge of a goods vehicle shall carry with him—

- (i) bill of sale or delivery note;
- (ii) goods vehicle record or trip sheet; and
- (iii) such other documents as may be prescribed.

Possession and submission of certain records by owners of goods vehicle and boats.

(2) In case of boats the owner or other person in charge of boat shall carry with him—

- (i) bill of sale or delivery note;
- (ii) log book; and
- (iii) such other documents as may be prescribed.

58. (1) At every check-post or barrier mentioned in section 56 or at any other place when so required by any officer empowered by the Government in this behalf, the driver or any other person in charge of any vehicle or boat shall stop the vehicle or boat, as the case may be, and keep it stationary as long as may reasonably be necessary, and allow the officer-in-charge of the check-post or barrier, or the officer empowered as aforesaid, to examine the contents in the vehicle or boat and inspect all records relating to the goods carried, which are in the possession of such driver, or other person in charge, who shall, if so required, give his name and address and the name and address of the owner of the vehicle or boat as well as those of the consignor and the consignee of the goods.

Powers of check-post officers.

(2) The officer-in-charge of the check-post or barrier, or the officer empowered as aforesaid shall have powers,—

- (a) to detain the goods vehicles or the goods;
- (b) to direct the driver or any other person to furnish any security;
- (c) to collect the tax payable and to levy a penalty of three times the amount of tax payable;

(d) to seize and confiscate and dispose of any goods in accordance with the rules made under this Act,

where there is a reason to believe that the goods are not properly accounted for, in the documents accompanying the goods or where the identity of consignor or consignee is not clearly ascertainable from the documents accompanying the goods.

### CHAPTER – VIII

#### OFFENCES AND PENALTIES

Offences and penalties.

59. (1) Any person who,—

(a) being an assessee under this Act, fails to submit a return as required by the provisions of this Act, or the rules made thereunder, or

(b) being a person obliged to register himself as a dealer under this Act, does not get himself registered, or

(c) being a person obliged to obtain a permit under this Act, does not obtain such permit, or

(d) collects any amount by way of tax under this Act, in contravention of the provisions of section 35,

shall on conviction by a Judicial Magistrate, not below the rank of a Second-Class Judicial Magistrate, be liable to a fine of rupees one thousand.

(2) Any person who,—

(a) wilfully submits an untrue return, or, not being already an assessee under this Act, fails to submit a return as required by the provisions of this Act, or the rules made thereunder, or

(b) fraudulently evades the payment of any tax assessed on him or any fee or other amount due from him under this Act, or

(c) dishonestly objects to a notice issued to him under sub-section (1) of section 39, or

(d) wilfully acts in contravention of any of the provisions of this Act, or

(e) after purchasing any goods in respect of which he has made a declaration as prescribed but fails without reasonable excuse to make use of goods for the declared purpose,

shall on conviction by a Judicial Magistrate of the First Class, be liable to a fine of rupees two thousand and in the event of a second or subsequent conviction, to simple imprisonment which may extend to six months or a fine of rupees three thousand or both.

(3) Any person who,—

(a) prevents or obstructs inspection, entry, search or seizure by an officer empowered under section 55, or

(b) prevents or obstructs inspection of any goods vehicle, or boat carrying goods, by an officer-in-charge of a check-post or barrier or any officer empowered under section 58,

shall on conviction, be liable to simple imprisonment which may extend to six months or a fine of rupees five thousand or both.

60. (1) Where an offence under this Act or the rules made thereunder has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Offences by companies.

Provided that, nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act or the rules made thereunder has been committed by a company, and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.*— For the purpose of this section,—

(a) 'Company' means a body corporate and includes a firm or other association of persons or body of individuals whether incorporated or not; and

(b) 'Director' in relation to a firm means a partner in the firm, and in relation to any association of persons or body of individuals, means any member controlling the affairs thereof.

Improper use of tax payer identification number.

61. A person who knowingly uses a false tax payer identification number, including the tax payer identification number of another person with a view to evade or avoid or shift the liability to pay the tax in a return or other document prescribed or used for the purposes of this Act, is guilty of an offence and liable on conviction to a fine not exceeding fifty thousand rupees or to imprisonment for a term not exceeding one year, or both.

Composition of offences.

62. (1) The prescribed authority may, whether on application made to it in this behalf or otherwise, give any person who has committed or is reasonably suspected of, having committed an offence under this Act, or any rule framed under this Act, option to pay within a specified period by way of composition of such offence,—

(a) where the offence consists of the failure to pay, or the evasion of, any tax recoverable under this Act, in addition to the tax so recoverable, a sum of money not exceeding five thousand rupees or double the amount of the tax recoverable, whichever is greater; and

(b) in other cases, a sum of money not exceeding five thousand rupees.

(2) Where the prescribed authority compounds an offence under this section, he shall serve an order on the dealer who committed the offence specifying,-

(a) the offence committed; and

(b) the sum of money to be paid and due date for payment, and such order shall be final and not subject to any appeal.

(3) On payment of such sum of money and the tax, if any, recoverable under this Act, no prosecution for an offence under this Act shall be instituted in respect of the same offence on which a composition has been allowed under this section.

(4) Where the prescribed authority, on application made under sub-section (1), passes an order refusing to allow composition under this section, it shall record in writing the reasons therefor and furnish to the applicant on request a brief statement of the same unless in any case the prescribed authority is of the opinion that it will not be in the public interest to furnish such statement.

63. (1) No court shall take cognizance of any offence under this Act or rules made thereunder except with the previous sanction of the Commissioner. Cognizance of offences, etc.

Central Act 2  
of 1974.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 all offences punishable under this Act or the rules made thereunder shall be cognizable and bailable.

64. (1) Subject to such conditions as may be prescribed, the Commissioner may authorise either generally or in respect of a particular case or class of cases any officer or person subordinate to him to investigate all or any of the offences punishable under this Act. Investigation of offences.

Central Act 2  
of 1974.

(2) Every Officer or person so authorised shall, in the conduct of such investigation, exercise the powers conferred by the Code of Criminal Procedure, 1973 upon an officer-in-charge of a police station for the investigation of a cognizable offence.



Chapter XXXVI of the Code of Criminal Procedure, 1973, not to apply to certain offences.

65. Nothing in Chapter XXXVI of the Code of Criminal Procedure, 1973 shall apply to—

(a) any offence punishable under this Act; or

(b) any other offence which under the provisions of that Code may be tried along with such offence;

and every offence referred to in clause (a) or clause (b) above may be taken cognizance of by the Court having jurisdiction under this Act as if the provisions of that Chapter were not enacted.

Central Act 2 of 1974.

Assessment, etc., not to be questioned in prosecution.

66. (1) The order of assessment made under this Act shall be conclusive evidence in any prosecution or other proceedings.

(2) The validity of the assessment of any tax, or of the levy of any fee or other amount, made under this Act, or the liability of any person to pay any tax, fee or other amount so assessed or levied shall not be questioned in any Criminal Court in any prosecution or other proceeding, whether under this Act or otherwise.

## CHAPTER – IX

### MISCELLANEOUS

Bar of certain proceedings.

67. (1) No suit, prosecution or other proceeding shall lie against any officer or servant of the Government for any act done or purporting to be done under this Act, without the previous sanction of the Government.

(2) No officer or servant of the Government shall be liable in respect of any such act in any civil or criminal proceedings if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

Limitations for certain suits and prosecutions.

68. No suit shall be instituted against the Government and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

69. No suit or other proceedings shall, except as expressly provided by or under this Act, be instituted in any Court to set aside or modify any assessment made under this Act.

Bar of suits and proceedings to set aside or modify assessments except as provided in this Act.

70. Any person who is entitled to appear before any authority other than the High Court in connection with any proceedings under this Act may be represented before such authority—

Appearance before any authority in proceedings.

(a) by his relative or a person regularly employed by him, if such relative or person is duly authorised by him in writing in this behalf; or

(b) by a legal practitioner; or

(c) subject to such conditions, as may be prescribed, by an accountant or a value added tax practitioner possessing the prescribed qualifications and duly authorised by him in writing in this behalf.

71. (1) The Government may make rules to carry out the purposes of this Act.

Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) all matters expressly required or allowed by this Act to be prescribed;

(b) determining the total turnover of a dealer for the purposes of this Act;

(c) the assessment of tax under this Act, of business which is discontinued or the ownership of which has changed;

(d) the assessment of tax under this Act, of any Hindu undivided family, firm or other association of persons, where such family, firm or association is partitioned or dissolved;

(e) the assessment of tax under this Act, of business owned by minors and other incapacitated persons or by persons residing outside the Union Territory;

(f) the assessment of a business owned by any person whose estate or any portion of whose estate is under the control of the Court of Wards, the Administrator-General, the Official Trustee, or any receiver or manager appointed by or under any order of a Court;

(g) the administration of the check-post set up and barriers erected under this Act and the regulation of the work therein;

(h) the disposal of goods confiscated or acquired under this Act and of the proceeds thereof;

(i) compelling the submission of return;

(j) the form of, and the particulars to be contained in, any declaration to be given under this Act, the authority from whom, the conditions subject to which and the fees subject to payment of which any form of declaration prescribed may be obtained, the manner in which the form shall be kept in custody and records relating thereto maintained, the manner in which any such form may be used and any such declaration may be furnished;

(k) the duties and powers of officers appointed for the purpose of enforcing the provisions of this Act;

(l) the circumstances in which and the extent to which, fees paid in pursuance of section 49 may be refunded;

(m) the issue of bills or cash memoranda, the class or classes of dealers who should maintain counterfoils for the same and the particulars to be shown in, and the manner of maintenance of, such counterfoils and the time for which they should be preserved;

(n) the maintenance of purchase bills or accounts of purchases and sales by dealers and the time for which they should be preserved;

(o) the issue of delivery notes in respect of goods delivered or transferred to retail dealers in pursuance of sales effected to them, the form and manner of their issue and the time for which they should be preserved; and

(p) generally regulating the procedure to be followed and the forms to be adopted in proceedings under this Act.

(3) (a) In making a rule under sub-section (1) or sub-section (2) the Government may provide that a person guilty of a breach thereof shall be punishable with fine which may extend to one thousand rupees, and where the breach is continuing one, with further fine which may extend to one hundred rupees for every day after the first during which the breach continues.

(b) No Court inferior to that of a Judicial Magistrate of the Second-Class shall inquire into or try any offence consisting of a breach of a rule.

(4) (a) All rules made under this Act shall be published in the Official Gazette and, unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(b) All notifications issued under this Act shall be published in the Official Gazette and unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(5) Any rule made or any notification issued under this Act may be made or issued so as to be retrospective to any date not earlier than the commencement of this Act.

(6) Every rule made or notification issued under this Act shall, as soon as may be after it is made or issued, be laid before the Legislative Assembly, Puducherry, while it is in session for a total period of fourteen days, which may be comprised in one session or in two or more successive sessions, and, if before the expiry of

the session in which it is so laid or the successive sessions aforesaid, the Legislative Assembly makes any modification in the rule or notification or decides that any such rule or notification should not be made or issued, that rule or notification shall thereafter have effect only in such modified form or be of no effect as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

Power to summon witnesses and production of documents.

72. (1) An assessing authority or an appellate or revising authority (including the Appellate Tribunal) or any officer of the Commercial Taxes Department not lower in rank than an Assistant Commercial Tax Officer shall, for the purposes of this Act, have all the powers conferred on a Court under the law relating to civil procedure for the time being in force, for the purpose of—

- (a) summoning and enforcing the attendance of any person and examining him on oath or affirmation; and
- (b) compelling the production of any document.

(2) Any assessing officer or authorised officer may require any bank or clearing and forwarding house or agency, transporting agency, shipping agency or steamer agency or air cargo agency or courier agency to furnish such information, document or statement for the purpose of any proceedings under this Act.

Power to rectify any error apparent on the face of record.

73. (1) An assessing authority or revising authority or the Appellate Tribunal may, at any time within three years from the date of any order passed by it, rectify any error apparent on the face of the record :

Provided that no such rectification which has the effect of enhancing an assessment or any penalty shall be made unless such authority has given notice to the dealer and has allowed him a reasonable opportunity of being heard.

(2) Where such rectification has the effect of reducing an assessment or penalty, the assessing authority shall make refund, if any, which may be due to the dealer.

(3) Where any such rectification has the effect of enhancing an assessment or penalty, the assessing authority shall give the dealer a revised notice of assessment or penalty and thereupon the provisions of this Act, and the rules made thereunder shall apply as if such notice had been given in the first instance.

74. (1) All particulars contained in any statement made, return furnished or accounts, registers, records or documents produced under the provisions of this Act or in any evidence given or affidavit or deposition made, in the course of any proceeding under this Act or in any record of any proceedings relating to the recovery of a demand, prepared for the purposes of this Act shall be treated as confidential and shall not be disclosed.

Prohibition of disclosure of particulars produced before commercial taxes authorities.

(2) Nothing contained in sub-section (1) shall apply to the disclosure of any such particulars —

Central Act 45  
of 1860.

(i) for the purpose of prosecution under the Indian Penal Code or under this Act in respect of any such statement, return, accounts, registers, records, documents, evidence, affidavit or deposition; or

Central Act 45  
of 1860.

(ii) to any person enforcing the provisions of this Act, where it is necessary to disclose the same to him for purposes of this Act or the Indian Penal Code;

(iii) occasioned by the lawful employment under this Act of any process for the recovery of any demand; or

(iv) to a Civil Court in any suit to which the Government are party and which relates to any matter arising out of any proceeding under this Act; or

(v) occasioned by the lawful exercise by a public servant of his powers under the law relating to stamp duty for the time being in force to impound or otherwise collect the stamp duty on an insufficiently stamped document; or

(vi) to an officer of —

(a) the Government of India; or

(b) the Government of any State in India with which an agreement for disclosure on a reciprocal basis has been entered into by the Government; or

(vii) to an officer subordinate to the Government other than an officer of the Commercial Taxes Department of the Union Territory, after obtaining—

- (a) the permission of the Assistant Commissioner, the Deputy Commissioner or the Joint Commissioner of Commercial Taxes as the case may be, where such particulars are to be furnished by an officer subordinate to the Assistant Commissioner of Commercial Taxes; and
- (b) the permission of the Secretary, where such particulars are to be furnished by the Commissioner, the Joint Commissioner, the Deputy Commissioner or by an Assistant Commissioner of Commercial Taxes:

Provided that such particulars shall be furnished under this clause only in exceptional cases and any officer obtaining such particulars shall keep them as confidential, use them as confidential and use them only in the lawful exercise of the powers conferred by or under any enactment.

(3) Nothing contained in this section shall prevent the publication of the final assessment of any party in the prescribed manner.

Power to amend Schedules.

75. (1) The Government may, by notification, alter, add to, or cancel any of the Schedules.

(2) Where, a notification has been issued under sub-section (1), there shall, unless the notification is, in the meantime, rescinded, be introduced in the Legislative Assembly of Puducherry, as soon as may be, but in any case during the next session of the Legislative Assembly following the date of the issue of the notification, a Bill on behalf of the Government to give effect to the alteration, addition or cancellation, as the case may be, of the Schedules specified in the notification and the notification shall cease to have effect,—

(a) if a Bill as aforesaid is not introduced in the next session of the Legislative Assembly following the date of issue of the notification, on the date following the date on which such session comes to an end;

(b) if a Bill as aforesaid is so introduced, when such Bill,—

(i) becomes law whether with or without modifications, or

(ii) is rejected by the Legislative Assembly, except as respects things done or omitted to be done before the notification so ceases to have effect:

Provided that if the notification under sub-section (1) is issued when the Legislative Assembly is in session, every endeavour shall be made to introduce such a Bill in the Legislative Assembly during that session:

Provided also that where for any reason a Bill as aforesaid does not become law within six months from the date of its introduction in the Legislative Assembly, the notification shall cease to have effect on the expiration of the said period of six months except as respect things done or omitted to be done before the notification so ceases to have effect.

(3) All references made in this Act to any of the Schedules shall be construed as relating to the Schedules for the time being amended in exercise of the powers conferred by this section.

76. (1) If any difficulty arises in giving effect to the provisions of this Act, the Government may, by order not inconsistent with the provisions of this Act, remove the difficulty: Power to remove difficulties.

Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

(2) Every order made under this section shall, as soon as may be, after it is made, be laid before the Legislative Assembly of Puducherry and the provisions of



sub-sections (4) and (6) of section 71 shall apply in respect of such order as they apply in respect of a notification issued under this Act.

Clarification and advance rulings.

77. (1) The Commissioner may, subject to the provisions of this Act, constitute a Union Territory level 'Authority for Clarification and Advance Rulings' consisting of, a Chairman in the rank of the Deputy Commissioner of Commercial Taxes and two other members not below the rank of the Commercial Tax Officer to clarify, in the manner prescribed, any aspect of the implementation of this Act.

(2) No application shall be entertained where the question raised in the application,-

(i) is already pending before any officer or authority of the Department or Appellate Tribunal or any Court;

(ii) relates to a transaction or issue which is designed apparently for the avoidance of tax:

Provided that no application shall be rejected under this sub-section unless an opportunity has been given to the applicant of being heard and where the application is rejected, reasons for such rejections shall be recorded in the order.

(3) No officer or any other authority of the Department shall proceed to decide any issue in respect of which an application has been made by an applicant under this section and is pending.

(4) The order of the authority shall be binding,-

(i) on the applicant who had sought clarification;

(ii) in respect of the goods or transaction in relation to which a clarification was sought; and

(iii) on all the officers other than the Commissioner, provided the dealer does not file an appeal before the Appellate Tribunal within sixty days of the ruling in the manner prescribed.

(5) The authority for clarifications shall have power to review, amend or revoke its rulings at any time for good and sufficient cause by giving an opportunity to

the affected parties. An order giving effect to such review or amendment or revocation shall not be subject to the period of limitation.

(6) The Commissioner may also refer any matter for opinion of the Authority for clarification without prejudice to his authority.

78. (1) Where a contract or an agreement was concluded between two or more parties before the commencement of this Act and no provision for tax under this Act was made in the contract, the selling dealer shall pay tax due on any sale liable to tax made under such contract after the commencement of this Act. Ongoing contracts.

(2) Where a contract is concluded after the commencement of this Act, and no provision relating to tax was made in the contract, the contract price shall be deemed to include tax due under this Act and the selling dealer shall account for the tax due.

79. The powers conferred by this Act and the rules made thereunder on any of the officers appointed under section 3 or under any other provision of this Act may also be exercised by any of the officers superior to the officers so empowered, subject to any instructions issued by the Commissioner in this regard. Powers of subordinate officer to be exercised by higher authorities.

80. (1) (a) A dealer effecting sales falling under sub-section (1), sub-section (3) or sub-section (5) of section 5 of the Central Sales Tax Act, 1956, in any tax period shall be eligible for refund of tax, if the input tax credit exceeds the amount of tax payable subject to condition that the exports have been made outside the territory of India. The excess of tax shall be refunded within a period of ninety days on a claim made on a return prescribed to the authority prescribed subject to the provisions of the Act and the rules made thereunder. Refund in certain cases.

Central Act 74 of  
of 1956.

(b) In all other cases, the dealer shall make a claim for refund of the excess credit on the return in the form prescribed where such dealer has declared an excess credit for 24 consecutive months or more or in the event

of cancellation of registration. The excess of tax shall be refunded within ninety days of the date of receipt of the claim.

(c) The claim for refund under this section shall be made on the return in the form prescribed.

(d) A dealer, who has paid tax in excess of the amount due for a tax period, may claim a credit in the next return.

(2) Where a dealer claiming the refund is required by the authority prescribed to provide accounts or records to substantiate the claim but fails to do so in a manner satisfactory to the authority prescribed within seven days of issue of notice, the time period specified in sub-section (1) for making the refund shall not apply.

(3) Where a claim of a dealer is not accepted either in full or in part, the authority prescribed, shall send a notice in writing, to the dealer.

(4) A dealer aggrieved by the decision under sub-section (3) may file an appeal as prescribed in this Act.

(5) The tax paid under this Act on the purchases made by specialised agencies of the United Nations Organisation and Consulates or Embassies of any country located in the Union Territory shall be refunded in such manner as may be prescribed.

(6) Where the authority prescribed is required to refund an amount of tax to a dealer as a result of,—

(a) a decision under section 47 of this Act; or

(b) a decision of the Appellate Tribunal under section 49 of this Act; or

(c) a decision of the High Court under sections 50 and 51 of this Act,

such refund shall be made within a period of ninety days from the date of the receipt of the order.

(7) Where such refund is not made within the stipulated time, the amount of refund shall carry interest at the rate of one per cent per month or part thereof on the amount of the refund for the period of delay.

**CHAPTER – X****REPEAL AND SAVING**

Act No. 6  
of 1967.

81. (1) The Pondicherry General Sales Tax Act, 1967 is hereby repealed. Repeal and saving.

(2) Any action or proceedings already initiated under the repealed Act shall continue to be valid till the final disposal.

(3) The provisions of this Act shall not affect any right, title, obligation or liability already acquired, accrued or incurred under the repealed Act, and subject thereto, anything done or any action taken including any appointment, notice, order, in exercise of any power conferred by that Act, shall be valid till specifically rescinded or withdrawn.

(4) Any person liable to pay any tax, fee, penalty, interest or other amount under the repealed Act for any period before the commencement of this Act, shall continue to be liable and such tax, fee, penalty, interest or other amount shall be collected under the provisions of this Act.

(5) All arrears of tax, interest, penalty, fee or other amount due at the commencement of this Act, whether assessed or levied before such commencement or assessed or levied after such commencement, may be recovered as if such tax, penalty, interest, fee or other amount is assessed or levied under the provisions of this Act and all methods of recovery including levy of interest, penalty or prosecution provided under this Act shall apply to such arrears as if such amounts are assessed, levied and demanded in accordance with the provisions of the repealed Act.

(6) Notwithstanding anything contained in sub-sections (1) and (2),—

(a) any application, appeal, revision or other proceedings made or preferred to any officer or authority under the repealed Act and pending at the commencement of this Act shall continue to be heard and disposed by the said officer or authority

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subject to the same terms and conditions prescribed for this purpose under the repealed Act until such officer is appointed or such authority is constituted under this Act;

(b) any application, appeal, revision or other proceedings arising out of the repealed Act after the commencement of this Act will also continue to be heard and disposed by the officer appointed or authority constituted under the repealed Act subject to the same terms and conditions prescribed for this purpose under the repealed Act until such officer is appointed or such authority is constituted under this Act;

(c) any application, appeal, revision or other proceedings arising under this Act will also be heard and disposed by the officer appointed or authority constituted under the repealed Act subject to the terms and conditions prescribed for this purpose under this Act until such officer is appointed or such authority is constituted under this Act; and

(d) as soon as the officer appointed or the authority constituted under this Act who have jurisdiction to entertain such application, appeal, revision or other proceedings under this Act assumes charge, then all the applications, appeal, revision or other proceedings pending both under the repealed Act and under this Act shall respectively be transferred to them and disposed by them under this Act:

Provided that where such applications, appeal, revision or other proceedings made or preferred to any officer or any authority which have arisen under the repealed Act and transferred under this clause shall continue to be regulated subject to the terms and conditions prescribed for this purpose under the repealed Act until it is finally disposed.

(7) Any order delegating any power under the repealed Act or rules framed thereunder to any person appointed, by any designation, immediately before the

commencement of this Act shall continue in force until that order is amended, varied or rescinded.

(8) Any rule, regulations, notifications or orders made or issued under the repealed Act and continuing in force on the day immediately before the commencement of this Act, shall continue to be in force on or after the commencement of this Act in so far as they are not inconsistent with the provisions of this Act.

(9) Notwithstanding anything contained in sub-section (1), the industrial unit existing prior to the commencement of this Act and are exempted from payment of tax due under the repealed Act would continue to be exempt from payment of tax under this Act till the expiry of the period of exemption as prescribed under that Act. Such dealer will not be eligible for the input tax credit until the period of exemption expires. However the input tax credit will be allowed if such dealer opts to pay tax due under this Act. The dealer may exercise this option by submitting in writing before the assessing officer within one month of the commencement of this Act and the option once exercised cannot be revoked.

82. (1) The Puducherry Value Added Tax Ordinance, 2007 is hereby repealed.

Repeal of  
Ordinance  
1 of 2007.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

**THE FIRST SCHEDULE**  
**LIST OF GOODS EXEMPTED**  
 [See section 20]

Sl. No. (1)	Description of goods (2)
1.	Agricultural implements manually operated or animal driven
2.	Aids and implements used by handicapped persons
3.	All Bangles (except those made of precious metals)
4.	All seeds other than oil seeds
5.	Appalam, vadam, vathal and pappad
6.	Aquatic feed, poultry feed and cattle feed including grass, hay, straw, supplement and husk of pulses, concentrates and additives, wheat bran and deoiled cake
7.	Atta, Maida, Suji, Besan
8.	Betel leaves
9.	Books, periodicals and journals including maps, chart and globe
10.	Bread (Branded or otherwise)
11.	Charcoal
12.	<i>Charkha, Ambar Charkha</i> ; handlooms and handloom fabrics and <i>Gandhi Topi</i> .
13.	Coarse grains
14.	Coconut fibre
15.	Coconut in shell and separated kernel of coconut other than copra
16.	Condoms and contraceptives
17.	Cotton and silk yarn in hank
18.	Curd, <i>Lussi</i> , butter milk and separated milk
19.	Earthen pot
20.	Electrical energy
21.	Firewood except casuarina and eucalyptus timber
22.	Fishnet, fishnet fabrics, fish seeds, fishing boats, fishing requisites and prawn / shrimp seeds

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(1)	(2)
23.	Food grains including rice and pulses
24.	Fresh milk and pasteurized milk
25.	Fresh plants, saplings and fresh flowers
26.	Fresh vegetables and fruits
27.	Garlic and ginger
28.	Goods taken under customs bond for re-export after manufacturing or otherwise
29.	Gur and Jaggery
30.	Hand made safety matches
31.	Handicrafts produced and directly sold by self-help group
32.	Human blood, blood plasma including blood components
33.	Husk including groundnut husk
34.	Indigenous handmade musical instruments
35.	Items covered by Public Distribution System (except kerosene)
36.	Khadi garments / goods and made-ups as notified by Government
37.	<i>Kumkum, bindi, alta and sindur</i>
38.	Mat
39.	Meat, fish, prawn and other aquatic products when not cured or frozen; eggs and livestock
40.	National flag
41.	Non-judicial stamp paper sold by Government Treasuries; postal items like envelope, post card etc., sold by Government; rupee note, when sold to the Reserve Bank of India and cheques, loose or in book form
42.	Organic manure
43.	Plantain leaves
44.	Puffed rice commonly known as 'pori', flattened or beaten rice commonly known as 'aval', parched rice commonly known as 'Khoi', parched paddy or rice coated with sugar or gur commonly known as 'Murki'

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(1)	(2)
45.	Raw wool
46.	Salt (branded or otherwise)
47.	Semen including frozen semen
48.	Silk worm laying, cocoon and raw silk
49.	Slate and slate pencils
50.	Sugar, textile and tobacco covered under the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (Central Act 58 of 1957)
51.	Tapioca
52.	Tender green coconut
53.	Toddy, Neera and Arrack pattai
54.	Water other than- (i) aerated, mineral, distilled, medicinal, ionic, battery, de-mineralised water, and (ii) Water sold in sealed container
55.	Bio-inputs like Bio-fertilizers, micro-nutrients, plant growth promoters

**THE SECOND SCHEDULE**

*PART-A*

LIST OF GOODS TAXABLE AT THE RATE OF ONE PER CENT  
AT EACH POINT OF SALE

[See section 14 (1)]

Sl. No.	Description of goods
(1)	(2)
1.	Articles of Gold, Silver and precious metals including jewellery made from gold, silver and precious metals.
2.	Gold, silver and other precious metals.
3.	Precious stones.

*PART-B*LIST OF GOODS TAXABLE AT THE RATE OF ONE PER CENT AT THE  
POINT OF LAST PURCHASE

[See section 14 (1)]

Sl. No.	Description of goods
(1)	(2)
1.	Old and beaten gold or silver jewellery.

**THE THIRD SCHEDULE***PART - A*LIST OF GOODS TAXABLE AT THE RATE OF FOUR PER CENT AT EACH  
POINT OF SALE

[See section 14 (1)]

Sl. No.	Description of goods
(1)	(2)
1.	Acids
2.	Agricultural implements not operated manually or not driven by animal
3.	All equipments for communications such as, Private Branch Exchange (P.B.X.) and Electronic Private Automatic Branch Exchange (E.P.A.P.B.X) etc.
4.	All intangible goods like copyright, patent, replenishment license etc.
5.	All kinds of bricks including fly ash bricks, refractory bricks and asphaltic roofing, earthen tiles
6.	All metal castings
7.	All processed fruit, vegetables etc. including fruit jams, jelly, pickle, fruit squash, paste, fruit drink and fruit juice (whether in sealed containers or otherwise)
8.	All types of yarn other than cotton and silk yarn in hank and sewing thread

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(1)	(2)
9.	All utensils including pressure cookers/ pans except utensils made of precious metals
10.	Aluminium conductor steel reinforced (A.C.S.R.)
11.	Aluminium, aluminium alloys, their products (including intrusions) not elsewhere mentioned in this Schedule or in any other schedule
12.	Animal Hair – but to be a part of entry of skin and hide or raw wool
13.	Areca nut powder and betelnut
14.	Articles made of rolled gold and imitation gold including imitation jewellery
15.	Artificial silk yarn, polyester fibre yarn and staple fibre yarn
16.	Bagasse
17.	Bamboo
18.	Basic chromium sulphate, sodium bichromate, bleach liquid
19.	Bearings
20.	Bedsheet, pillow cover and other made-ups
21.	Beedi leaves
22.	Beltings
23.	Bicycles, tri-cycles, cycle rickshaws and parts, tyres and tubes thereof
24.	Rodenticide, insecticide and weedicide
25.	Bio-mass briquettes
26.	Bitumen
27.	Bone meal
28.	Buckets made of iron and steel, aluminium, plastic or other materials (except precious materials)
29.	Bulk drugs
30.	Candles
31.	Capital goods

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(1)	(2)
32.	Castor oil
33.	Centrifugal, mono-bloc and submersible pumpsets and parts thereof
34.	Chemical fertilizers, pesticides, weedicides, insecticides
35.	Clay including fire clay, fine china clay and ball clay
36.	Coal tar
37.	Coffee beans and seeds, coffee powder and all forms of coffee, cocoa pod, tea including green tea leaf and chicory
38.	Coir and coir products excluding coir mattresses
39.	Combs
40.	Computer stationery
41.	Cottage cheese
42.	Cotton and cotton waste
43.	Crucibles
44.	Cups and glasses of paper and plastics
45.	Declared goods as specified in section 14 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956)
46.	Drugs and medicines including vaccines, syringes and dressings, medicated ointments produced under drugs licence, light liquid paraffin of IP grade, medical equipment / devices and implants
47.	Dyes, that is to say; (i) Acid dyes (ii) Ahzanee dyes (iii) Bases (iv) Basic dyes (v) Direct dyes (vi) Naphthols (vii) Nylon dyes (viii) Optical whitening agents (ix) Plastic dyes (x) Reactive dyes (xi) Sulphur dyes (xii) Vat dyes (xiii) All other dyes not specified elsewhere in the schedule
48.	Edible oils and oil cake
49.	Electrodes
50.	Embroidery or zari articles, that is to say, (i) imi, (ii) zari, (iii) kasab, (iv) sama, (v) dabka, (vi) chumki, (vii) gota, (viii) sitara, (ix) naqsi, (x) kora, (xi) glass bead, (xii) badla, (xiii) glzal, (xiv) embroidery machines, (xv) embroidery needles.

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(1)	(2)
51.	Exercise book, graph book and laboratory note book
52.	Feeding bottle, nipples
53.	Ferrous and non-ferrous metals and alloys and their scraps; non-metals such as aluminium, copper, zinc and extrusions of those
54.	Fibres of all types and fibre waste
55.	Coal ash, coal boiler ash, coal cinder ash, coal powder, clinker
56.	Fly ash
57.	Fried and roasted grams
58.	Gypsum of all forms and description
59.	Hand pumps and spare parts
59(A)	Handicraft
60.	Havan samagri including dhoop, sambrani or lobhana commonly known as <i>agarbatti, dhupkathi or dhuphati</i>
61.	Herb, bark, dry plant, dry root, commonly known as <i>jari booti</i> and dry flower
62.	Hing (Asafoetida)
63.	Honey
64.	Hose pipes and fittings thereof
65.	Hosiery goods
66.	Ice
67.	Industrial cables (high voltage cables, PVC or XLPE insulated wires and cables, jelly filled cables, optical fibre cables)
68.	Industrial inputs and packing materials as mentioned in the Appendix
69.	Insulators
70.	IT products including computers, telephone and parts thereof, teleprinter and wireless equipment and parts thereof and cell phones, DVD and CD

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(1)	(2)
71.	Kattha
72.	Kerosene lamp / lantern, petromax, glass chimney
73.	Kerosene oil sold through PDS
74.	Khandsari
75.	Khoya/Khoa
76.	Knitting wool
77.	Lac and shellac
78.	Leaf plates and cups
79.	Lignite
80.	Lime, limestone, products of lime, dolomite and other white washing materials not elsewhere mentioned in this schedule or in any other schedule
81.	Linear alkyl benzene, L.A.B. Sulphonic Acid, Alfa Olefin Sulphonate
82.	Maize starch, maize gluten, maize germ and oil
83.	Metals, alloys, metal powders including metal pastes of all types and grades and metal scraps other than those falling under declared goods
84.	Mixed PVC stabilizer
85.	Moulded plastic footwear, Hawai chappals and straps thereof
86.	Napa Slabs (Rough flooring stones) and shahabad stones
87.	Newars
88.	Nuts, bolts, screws and fasteners
89.	Oil seeds
90.	Old cars
91.	Ores and minerals
92.	(i) Paraffin wax of all grade standards other than food grade standard including standard wax and match wax; (ii) Slack wax

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(1)	(2)
93.	Paper and newsprint
94.	Paper and paper board
95.	Pens of all kinds including refills
96.	Pipes of all varieties including fittings
97.	Pizza Bread
98.	Plastic granules, plastic powder and master batches
99.	Porridge
100.	Printed material including diary, calendar etc. including works contract which are in the nature of printing works
101.	Printing ink excluding toner and cartridges
102.	Processed meat, poultry and fish
103.	Pulp of bamboo, wood and paper
104.	Rail wagons, engines, coaches and parts thereof
105.	Readymade garments
106.	Refractory monolithic
107.	Renewable energy devices and spare parts including windmill for water pumping and generation of electricity
108.	Rice bran
109.	River sand and grit
110.	Rubber that is to say – (a) raw rubber, latex, dry ribbed sheet of all RMA Grades, tree lace, earth scrap, ammoniated latex, latex concentrate, centrifugal latex, dry crepe rubber, dry block rubber, crumb rubber, skimmed rubber and all other qualities and grades of latex (b) Reclaimed rubber all grades and qualities (c) Synthetic rubber
111.	Safety matches
112.	Sewing machine, its parts and accessories

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(1)	(2)
113.	Ship and other water vessels including non-mechanised boats used by fisherman for fishing
114.	Silk fabrics (subject to abolition of rental agreement) excluding handloom silks unless covered by AED
115.	Skimmed milk powder and UHT milk
116.	Solvent oils other than organic solvent oil
117.	Spectacles, parts and components thereof, contact lens and lens cleaner
118.	Spices of all varieties and forms including cumin seed, aniseed, turmeric and dry chillies
119.	Sports goods excluding apparels and footwear
120.	Starch
121.	Tamarind, tamarind seed and powder
122.	Tools
123.	Toys excluding electronic toys
124.	Tractors, threshers, harvesters and attachments and parts thereof
125.	Transformer
126.	Transmission wires and towers
127.	Umbrella except garden umbrella
128.	<i>Vanaspati</i> (hydrogenated vegetable oil)
129.	Vegetable oil including gingili oil and bran oil
130.	Waste paper
131.	Wet dates
132.	Wooden crates
133.	Writing ink
134.	Writing instruments, geometry boxes, colour boxes, crayons and pencil sharpeners.

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*PART-B*LIST OF GOODS TAXABLE AT THE RATE OF FOUR PER CENT AT THE  
POINT OF FIRST PURCHASE

[See section 14 (1)]

Sl. No.	Description of goods
1.	Cotton
2.	Groundnut not falling under Entry 45 of Part- A of this Schedule

*PART-C*LIST OF GOODS TAXABLE AT THE RATE OF FOUR PER CENT AT THE  
POINT OF LAST PURCHASE

[See section 14 (1)]

Sl. No.	Description of goods
1.	Raw hides and skins
2.	Wattle bark, avaram bark, konam bark, wattle extract, Quobracho and chestnut extract

**THE FOURTH SCHEDULE***PART - A*LIST OF GOODS TAXABLE AT THE RATE OF TWELVE AND HALF  
PER CENT AT EACH POINT OF SALE

[See section 14(1) and section 14(3)]

Sl. No.	Description of goods
1	Goods not specified elsewhere in any of the Schedules

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*PART - B*LIST OF GOODS TAXABLE AT THE RATE OF TWELVE AND HALF  
PER CENT AT THE POINT OF LAST PURCHASE

[See section 14 (1) ]

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Sl. No.	Description of goods
1.	Sugarcane

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**THE FIFTH SCHEDULE**LIST OF GOODS TAXABLE AT THE RATE OF TWENTY PER CENT AT  
THE POINT OF FIRST SALE

[See section 14 (1)]

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Sl. No.	Description of goods
1.	Molasses
2.	Petrol and diesel
3.	Rectified spirit

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**THE SIXTH SCHEDULE**LIST OF GOODS TAXABLE AT THE RATE OF THIRTY-FIVE  
PER CENT AT THE POINT OF FIRST SALE

[See section 14 (1)]

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Sl. No.	Description of goods
1.	Liquor including IMFL and imported liquor from foreign countries

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**APPENDIX**

[See Entry No.68 under Part-A of the Third Schedule]

(The Industrial Inputs and packing materials to be taxed @ 4% )

S.No.	As provided under the Central Excise Tariff Act, 1985 (Central Act 5 of 1986)		Description
	Heading No.	Sub- Heading No.	
(1)	(2)	(3)	(4)
1.	15.01	...	Animal (including fish) fats and oils, crude, refined or purified
2.	15.06	...	Glycerol, Crude, Glycerol Waters and Glycerol lyes.
3.	15.07	...	Vegetable waxes (other than triglycerides), beeswax, other insect waxes and spermaceti, whether or not refined or coloured degrass, residues resulting from the treatment of fatty substances or animal or vegetable waxes
4.	15.08	...	Animal or vegetable fats boiled, oxidized, dehydrated, sulphurised, blown, polymerized by heat in vacuum or in inert gas or otherwise chemically modified, inedible mixtures or preparations of fats and oils of this chapter
5.	17.02	...	Liquid glucose (non-medicinal)
6.	...	2204.10	Denatured ethyl alcohol of any strength
7.	26.02	...	Manganese ores and concentrates, including ferruginous manganese ores and concentrate with a manganese content of 20% or more, calculated on the dry weight
8.	26.03	...	Copper ores and concentrates

(1)	(2)	(3)	(4)
9.	26.04	...	Nickel ores and concentrates
10.	26.05	...	Cobalt ores and concentrates
11.	26.06	...	Aluminium ores and concentrates
12.	26.07	...	Lead ores and concentrates
13.	26.08	...	Zinc ores and concentrates
14.	26.09	...	Tin ores and concentrates
15.	26.10	...	Chromium ores and concentrates
16.	26.11	...	Tungsten ores and concentrates
17.	26.12	...	Uranium or Thorium ores and concentrates
18.	26.13	...	Molybdenum ores and concentrates
19.	26.14	...	Titanium ores and concentrates
20.	26.15	...	Niobium, Tantalum, Vanadium or Zirconium ores and concentrates
21.	26.16	...	Precious metal ores and concentrates
22.	26.17	...	Other ores and concentrates
23.	26.18	...	Granulated slag (slag sand) from the manufacture of iron or steel
24.	...	2707.10	— Benzole
25.	...	2707.20	—Toluole
26.	...	2707.30	Xylole
27.	...	2707.40	Naphthalene
28.	...	2707.50	Phenols
29.	...	2707.60	Creosote oils
30.	...	2710.90	Normal Paraffin
31.	...	2711.12	Butadine
32.	...	2714.10	Bitumen
33.	28.01	...	Fluorine, Chlorine, Bromine and Iodine

(1)	(2)	(3)	(4)
34.	28.02	...	Sulphur sublimed or precipitated colloidal sulphur
35.	28.03	...	Carbon (carbon blacks and other forms of carbon not elsewhere specified or included)
36.	28.04	...	Hydrogen, rare gases and other non-metals
37.	28.05	...	Alkali or alkaline-earth metals, rare earth metals, scandium and yttrium whether or not intermixed or inter alloyed mercury
38.	28.06	...	Hydrogen chloride (hydrochloric acid) chlorosulphuric acid
39.	28.07	...	Sulphuric acid and anhydrides thereof, Olcum
40.	28.08	...	Nitric acid, sulphonitric acids
41.	28.09	...	Diphosphorus, pentaoxide, phosphoric acid and polyphosphoric acids
42.	28.10	...	Oxides of boron; boric acids
43.	28.12	...	Halides and halide oxides of non-metals
44.	28.13	...	Sulphides of non-metals; commercial phosphorus trisulphide
45.	28.14	...	Ammonia, anhydrous or in aqueous solution
46.	28.15	...	Sodium hydroxide (caustic soda), potassium hydroxides (caustic potash); peroxides of sodium or potassium
47.	28.16	...	Hydroxide and peroxide of magnesium; oxides, hydroxides and peroxides of strontium or barium
48.	...	2818.10	Alumium hydroxides
49.	28.19	...	Chromium oxides and hydroxides
50.	28.20	...	Manganese oxides

(1)	(2)	(3)	(4)
51.	...	2821.10	Iron oxides and hydroxides
52.	28.22	...	Cobalt oxides and hydroxides, commercial cobalt oxides
53.	28.23	...	Titanium oxide
54.	28.25	...	Hydrazine and hydroxylamine and their Inorganic salts, other Inorganic bases, other metal oxides, hydroxides and peroxides
55.	28.26	...	Fluorides, fluorosilicates, fluoro aluminates and other complex fluorine salts
56.	28.27	...	Chlorides, chloride oxides and chloride hydroxides, bromides and bromide oxides; Iodides and Iodide oxides
57.	28.29	...	Chlorates and Perchlorates; bromates and Perbromates, Iodates and periodates
58.	28.30	...	Sulphides, Polysulphides
59.	28.31	...	Dithionites and sulphonylates
60.	28.32	...	Sulphites, Thiosulphites
61.	...	2833.10	Copper sulphate
62.	28.34	...	Nitrites, nitrates
63.	28.35	...	Phosphinates (hypophosphites), phosphonates (Phosphites); phosphates and polyphosphates
64.	28.36	...	Carbonates, peroxocarbonates(percarbonates), commercial ammonium carbonates containing ammonium carbonate
65.	28.37	...	Cyanides, cyanide oxides and complex cyanides
66.	28.38	...	Fulminates, cyanates and thiocyanates
67.	28.40	...	Borates, peroxoborates (perborates)

(1)	(2)	(3)	(4)
68.	...	2841.10	Sodium dichromate
69.	...	2841.20	Potassium dichromate
70.	28.44	...	Radioactive chemical elements and radioactive isotopes (including the fissile chemical elements and isotopes) and their compounds; mixtures and residues containing these products
71.	28.45	...	Isotopes other than those of heading No.28.44 compounds, inorganic or organic of such isotopes, whether or not chemically defined
72.	28.46	...	Compounds, inorganic or organic of rare earth metals of yttrium or of scandium or of mixtures of these metals
73.	28.48	...	Phosphides, whether or not chemically defined, excluding ferrophosphorus
74.	...	2849.10	Calcium carbide
75.	...	2901.90	Ethylene, Propylene
76.	29.02	...	Cyclic Hydrocarbons
77.	29.03	...	Halogenated derivatives of Hydrocarbons
78.	29.04	...	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated
79.	...	2905.10	Methanol
80.	...	2905.90	Di-Ethylene Glycol, Mono Ethylene Glycol, Tri-Ethylene Glycol, Ethylene Glycol, Heavy Ethylene Glycol
81.	29.06	...	Cyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives
82.	29.08	...	Halogenated, sulphonated, nitrated or nitrosated derivatives of phenols or phenol alcohols

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(1)	(2)	(3)	(4)
83.	29.09	...	Ethers, ether-alcohols peroxides, ether peroxides, ketone peroxides (whether or not chemically defined) and their halogenated, sulphonated, nitrated or nitrosated derivatives
84.	29.10	...	Epoxides, Epoxyalcohols, epoxyphenols and epoxyethers, with a three membered ring and their halogenated, sulphonated, nitrated or nitrosated derivatives
85.	...	2910.00	Ethylene Oxide
86.	29.11	...	Acetals and hemiacetals, whether or not with other oxygen function and their halogenated, sulphonated, nitrated or nitrosated derivatives
87.	29.12	...	Aldehydes, whether or not with other oxygen function; cyclic polymers of aldehydes; paraformaldehyde
88.	29.13	...	Halogenated, sulphonated, nitrated or nitrosated derivatives of products of heading No. 29.12
89.	29.15	...	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids, their halogenated, sulphonated, nitrated or nitrosated derivatives
90.	29.16	...	Unsaturated acyclic monocarboxylic acids, cyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids, their halogenated, sulphonated, nitrated or nitrosated derivatives
91.	29.17	...	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids, their halogenated, sulphonated, nitrated or nitrosated derivatives

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(1)	(2)	(3)	(4)
92.	29.18	...	Carboxylic acids with additional oxygen function and their anhydrides, halides, peroxides and peroxyacids, their halogenated, sulphonated, nitrated or nitrosated derivatives
93.	29.19	...	Phosphoric esters and their salts, including lactophosphates, their halogenated, sulphonated, nitrated or nitrosated derivatives
94.	29.20	...	Esters of other inorganic acids (excluding esters of hydrogen halides) and their salts, their halogenated, sulphonated, nitrated or nitrosated derivatives
95.	29.21	...	Amine-function compounds
96.	29.22	...	Oxygen-function amino-compounds
97.	29.23	...	Quaternary ammonium salts and hydroxides; lecithins and other phosphoinolipids.
98.	29.24	...	Carboxamide-function compounds; amide-function compounds of carbonic acid
99.	29.25	...	Carboxamide-function compounds (including saccharin and its salts) and imine-function compounds
100.	29.26	...	Nitrile-function compounds
101.	29.27	...	Diazo, Azo-or-azoxy compounds
102.	29.28	...	Organic derivatives of hydrazine or of hydroxylamine
103.	29.30	...	Organo-sulphur compounds.
104.	29.31	...	Ethylene Diamine Tetra Acetic Acid, Nitrilo Triacetic Acid and their derivatives
105.	29.32	...	Heterocyclic compounds with oxygen heteroatom(s) only.

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(1)	(2)	(3)	(4)
106.	29.33	...	Heterocyclic compounds with nitrogen heteroatom(s) only
107.	29.34	...	Nucleic acids and their salts; other heterocyclic compounds
108.	29.35	...	Sulphonamides
109.	29.38	...	Glycosides, natural or reproduced by synthesis and their salts, ethers, esters and other derivatives
110.	29.39	...	Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives.
111.	29.42	...	Ethylene Diamine Tetra Acetic Acid, Nitrilo Triacetic Acid and their derivatives.
112.	32.01	...	Tanning extracts of vegetable origin; tannis and their salts, ethers, esters and other derivatives
113.	32.02	...	Synthetic organic tanning substances; inorganic tanning substances; tanning preparations, whether or not containing natural tanning substances, enzymatic preparations for pre-tanning.
114.	32.03	...	Colouring matter of vegetable or animal origin (including dyeing extracts but excluding animal black), whether or not chemically defined; preparations based on colouring matter of vegetable or animal origin as specified in Note 2 to this Chapter.
115.	32.04	...	Synthetic organic colouring matter whether or not chemically defined; preparations based on synthetic organic colouring matter as specified in Note 2 to this Chapter; synthetic organic products of a kind used as fluorescent brightening agents or as luminophores, whether or not chemically defined.

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(1)	(2)	(3)	(4)
116.	32.05	...	Colour lakes; preparations based on colour lakes, as specified in Note 2 to this Chapter
117.	...	3207.10	Glass frit and other glass in the form of powder, granules, or flakes.
118.	...	3207.90	Others
119.	32.11	...	Prepared driers
120.	...	3215.90	Printing ink whether or not concentrated or solid
121.	35.01	...	Casein, caseinates and other casein derivatives, casein glues
122.	35.07	...	Enzymes; prepared enzymes not elsewhere specified or included
123.	38.01	...	Artificial graphite; colloidal or semi-colloidal graphite; preparations based on graphite or other carbon in the form of pastes, blocks, pastes or other semi-manufacturers
124.	38.02	...	Activated carbon, activated natural mineral products, animal black, including spent animal black
125.	38.04	...	Residual lyes from the manufacture of wood pulp, whether or not concentrated, desugared or chemically treated, including lignin sulphonates, but excluding tall oil of heading No.38.03
126.	38.06	...	Rosin and resin acids, and derivatives thereof, rosin spirit and rosin oils, run gums
127.	38.07	...	Wood tar, wood tar oils, wood creosol, wood naphtha, vegetable pitch, brewers pitch and similar preparations based on rosin, resin acids or on vegetable pitch

(1)	(2)	(3)	(4)
128.	38.09	...	Finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs and other products and preparations (for example, dressings and mordants) of a kind used in textile, paper, leather or like industries, not elsewhere specified or included
129.	38.12	...	Prepared rubber accelerators; compound plasticisers for rubber or plastics, not elsewhere specified or included anti-oxidising preparations and other compound stabilizers for rubber or plastics
130.	38.14	...	Reducers and blanket wash/roller wash used in the printing industry
131.	38.15	...	Reaction initiators, reaction accelerators and catalytic preparations, not elsewhere specified or included
132.	38.17	...	Mixed alkybenzenes and mixed alkynaphthalenes, other than those of heading No.27.07 or 29.02
133.	38.18	...	Chemical elements doped for use in electronics, in the form of discs, wafers or similar forms; chemical compounds doped for use in electronics
134.	38.23	...	Industrial monocarboxylic fatty acids, acid oils from refining, industrial fatty alcohols
135.	...	3824.90	Retarders used in the printing industry
136.	...	3901.10	LLDPE/LDPE
137.	...	3901.20	HDPE
138.	39.02	...	Polymers of propylene or of other olefins, in primary forms
139.	...	3904.10	PVC
140.	39.06	...	Acrylic polymers in primary forms

(1)	(2)	(3)	(4)
141.	39.07	...	Polyacitals, other polyethers and epoxide resins, in primary forms, polycarbonates, alkyd resins, polyalyesters and other polyesters, in primary forms
142.	...	3907.60	Polyethylene Terephthalate Chips
143.	39.08	...	Polyamides in primary forms
144.	39.09	...	Amino-resins polyphenylene oxide, phenolic resins and polyurethanes in primary forms
145.	39.10	...	Silicones in primary forms
146.	39.11	...	Petroleum resins, coumarone-indene resins, polyterpenes polysulphides, polysulphones and other products specified in Note 3 to this Chapter, not elsewhere specified or included in primary forms
147.	39.12	...	Cellulose and its chemical derivatives, and cellulose ethers, not elsewhere specified or included in primary forms
148.	39.13	...	Natural polymers (for example, alginic acid) and modified natural polymers (for example, hardened proteins, chemical derivatives of natural rubber), not elsewhere specified or included, in primary forms.
149.	39.14	...	Ion-exchangers based on polymers of heading Nos.39.01 to 49.13 in primary forms.
150.	39.19	...	Self-adhesive plates, sheets, film foil, tape, strip of plastic whether or not in rolls.
151.	...	3920.32	Flexible plain films
152.	39.23	...	Articles for the packing of goods, of plastics; namely, boxes, cases, crates, containers, carboys, bottles, jerry cans and their stoppers, lids, caps of plastics (but not including insulated ware)
153.	40.01	...	Natural Rubber, balata, gutta percha, Guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strips.

(1)	(2)	(3)	(4)
154.	40.02	...	Synthetic rubber and factice derived from oils in primary forms or plates sheets or strip; mixtures of any product of heading No.40.01 with any product of this heading, in primary forms or in plates, sheets or strip.
155.	40.03	...	Reclaimed rubber in primary forms or in plates, sheets or strip.
156.	40.05	...	Compounded rubber unvulcanised in primary forms or in plates, sheets or strip, other than the forms and articles of unvulcanised rubber described in heading No.40.06
157.	47.01	...	Mechanical wood pulp, chemical wood pulp, semi-chemical wood pulp and pulps of other fibrous cellulosic materials
158.	48.19	...	Cartons (including flattened or folded cartons) boxes (including flattened or folded boxes) cases, bags and other packing containers of paper board whether in assembled or unassembled condition.
159.	48.21	...	Paper printed labels and paperboard printed labels.
160.	48.23	...	Paper, self-adhesive tape and printed wrappers used for packing
161.	...	5402.42	Partially Oriented Yarn, polyesters texturised yarn and waste thereof
162.	...	5503.20	Polyester staple fibre and polyster staples fibre fill
163.	...	5503.20	Polyester staple fiber waste
164.	...	6304.10	Sacks and bags of a kind used for the packing of goods of jute or of other textile based fibres of heading No.53.03

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(1)	(2)	(3)	(4)
165.	70.07	...	Carboys, bottles, jars, phials of glass of a kind used for the packing of goods, stoppers, lids and other closures of glass.
166.	83.09	...	Stoppers, caps and lids (including crown corks, screw caps and pouring stoppers) capsules for bottles, threaded bungs, bung covers, seals and other packing accessories of base metal.

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**JOHN CLAUDE POMPEI MARIADASSOU,**  
Law Secretary to Government.

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**La Gazette de L'État de Poudouchéry**  
**The Gazette of Puducherry**

**PART - II**

<b>சிறப்பு வெளியீடு</b>	<b>EXTRAORDINAIRE</b>	<b>EXTRAORDINARY</b>
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(24 Phalguna 1934)		

**GOVERNMENT OF PUDUCHERRY**  
**LAW DEPARTMENT**

*No. 196/Leg./2012-LD.*

*Puducherry, the 15th March 2013.*

The following Act of the Legislative Assembly, Puducherry received the assent of the Lieutenant-Governor, Puducherry on the 14th March 2013 and is hereby published for general information :—



THE PUDUCHERRY VALUE ADDED TAX  
(SECOND AMENDMENT) ACT, 2013

(Act No. 1 of 2013)

(14-3-2013)

AN

ACT

**further to amend the Puducherry Value Added  
Tax Act, 2007**

BE it enacted by the Legislative Assembly of Puducherry in the Sixty-third Year of the Republic of India as follows :—

Short title and  
commencement.

1. (1) This Act may be called the Puducherry Value Added Tax (Second Amendment) Act, 2012.

(2) It shall be deemed to have come into force with effect from the 1st day of December 2012.

Amendment  
of the First  
Schedule.

2. In the Puducherry Value Added Tax Act, 2007, in the First Schedule, after serial number 28-B, the following shall be inserted, namely:—

Act  
No.9  
of  
2007.

"28-C. Goods which are sold by Canteen Stores Department to serving Defence Personnel and Ex-servicemen in Puducherry."

**T.T. GAMDIK, I.A.S.,**  
Secretary (Law).

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**GOVERNMENT OF PUDUCHERRY**  
**LAW DEPARTMENT**

*No. 161/Leg./2013-LD.*

*Puducherry, the 31st July 2013.*

The following Act of the Legislative Assembly, Puducherry received the assent of the Lieutenant-Governor, Puducherry on the 30th July 2013 and is hereby published for general information:—

THE PUDUCHERRY VALUE ADDED TAX  
(AMENDMENT) ACT, 2013  
(Act No. 6 of 2013)

(30-7-2013)

AN

ACT

**further to amend the Puducherry Value Added  
Tax Act, 2007.**

BE it enacted by the Legislative Assembly of  
Puducherry in the Sixty-fourth Year of the Republic  
of India as follows :—

Short title and  
commencement.

1. (1) This Act may be called the Puducherry  
Value Added Tax (Amendment) Act, 2013.

(2) It shall come into force with effect from  
the 1st day of August 2013.

Amendment of  
the Schedules.

2. In the Puducherry Value Added Tax Act, 2007—

Act  
No. 9  
of  
2007.

(i) in the First Schedule,—

(a) after serial number 10-A, the following  
shall be inserted, namely:—

"10-B. Building materials, namely:—

- (a) Asbestos cement sheets,
- (b) Bricks,
- (c) Cement, cement products,
- (d) Electrical goods,
- (e) Plywood, hardware items,
- (f) Paints,
- (g) Pipes and fittings,
- (h) River sand,
- (i) Sanitary wares and fittings,
- (j) Steel, steel fabricated items,
- (k) Tiles, and
- (l) Water tanks

sold by the Pondicherry Co-operative Building Centre Limited, No. P. 554, Puducherry and Karaikal Central Co-operative Processing Supply and Marketing Society Limited, No. P.15, Karaikal for the construction of dwelling houses, to any person other than the dealers executing works contract.";

(b) after serial number 18-A, the following shall be inserted, namely:-

"18-B. Diesel sold to fishermen for fishing activities through the designated petrol bunks, subject to such conditions and restrictions as notified by the Director of Fisheries and Fishermen Welfare, Puducherry";

(c) after serial number 12 and the entries relating thereto, the following shall be inserted, namely:-

"12-A. Chemical fertilisers, pesticides, insecticides and weedicides";

(d) in serial number 28-A, after sub-item (11), the following shall be inserted, namely:-

"(11-A) Footwear costing less than two hundred rupees".

(ii) in the Third Schedule, in Part-A,—

(a) in the entries against serial number 24, the words "insecticide and weedicide" shall be omitted;

(b) the entries against serial number 34 shall be omitted.

**T.T. GAMDIK,**

Law Secretary to Government.

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online publication at "<http://styandptg.puducherry.gov.in>"

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**புதுச்சேரி மாநில அரசிதழ்**  
**La Gazette de L'État de Poudouchéry**  
**The Gazette of Puducherry**

**PART - II**

<b>சிறப்பு வெளியீடு</b>	<b>EXTRAORDINAIRE</b>	<b>EXTRAORDINARY</b>
அதிகாரம் பெற்ற வெளியீடு	Publiée par Autorité	Published by Authority
விலை : ₹ 1-00	Prix : ₹ 1-00	Price : ₹ 1-00

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எண் } No. } No. }	புதுச்சேரி Poudouchéry Puducherry	வியாழக்கிழமை Jeudi Thursday	2014 மார்ச் 27 27 27th	2014 Mars March	27 2014 2014
(6 Chaitra 1936)					

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**GOVERNMENT OF PUDUCHERRY**  
**LAW DEPARTMENT**

*No. 166/Leg./2013-LD.*

*Puducherry, the 24th March 2014.*

The following Act of the Legislative Assembly, Puducherry received the assent of the Lieutenant-Governor, Puducherry, on the 12th March, 2014 and is hereby published for general information :—

THE PUDUCHERRY VALUE ADDED TAX  
(SECOND AMENDMENT) ACT, 2013

(Act No. 1 of 2014)

AN  
ACT (12-3-2014)

**further to amend the Puducherry Value  
Added Tax Act, 2007.**

BE it enacted by the Legislative Assembly of Puducherry in the Sixty-fourth Year of the Republic of India as follows :—

Short title and commencement. 1. (1) This Act may be called the Puducherry Value Added Tax (Second Amendment) Act, 2013.

(2) It shall be deemed to have come into force with effect from the 23rd day of August 2013.

Amendment of the Schedules. 2. In the Puducherry Value Added Tax Act, 2007,- Act No. 9 of 2007.  
(i) in the First Schedule, for serial number 12-A and the entries relating thereto, the following shall be substituted, namely:—

"12-A. Chemical fertilisers, pesticides, insecticides and weedicides used for agricultural purpose".

(ii) in the Third Schedule, in Part-A, for serial number 24 and the entries relating thereto, the following shall be substituted, namely:—

"24. Chemical fertilisers, rodenticides, insecticides and weedicides other than the goods which are used for agriculture purpose specified in entry number 12-A of the First Schedule".

**G. RAGESH CHANDRA, I.A.S.,**  
Secretary (Law).

online publication at "<http://styandptg.puducherry.gov.in>"

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**La Gazette de L'État de Poudouchéry**  
**The Gazette of Puducherry**

**PART - II**

<b>சிறப்பு வெளியீடு</b>	<b>EXTRAORDINAIRE</b>	<b>EXTRAORDINARY</b>
அதிகாரம் பெற்ற வெளியீடு	Publiée par Autorité	Published by Authority
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எண் } புதுச்சேரி	திங்கட்கிழமை	2015	மார்ச் 30	30
No. } 22 Poudouchéry	Lundi	30	Mars	2015
No. } Puducherry	Monday	30th	March	2015
( 9 Chaitra 1937 )				

GOVERNMENT OF PUDUCHERRY

LAW DEPARTMENT

No. 68/Leg./2015-LD.

Puducherry, the 30th March 2015.

The following Act of the Legislative Assembly, Puducherry received the assent of the Lieutenant-Governor, Puducherry on the 29th March, 2015 and is hereby published for general information.

THE PUDUCHERRY VALUE ADDED TAX  
(AMENDMENT) ACT, 2015

(Act No. 1 of 2015)

29-3-2015

AN

ACT

**further to amend the Puducherry Value Added Tax  
Act, 2007.**

BE it enacted by the Legislative Assembly of Puducherry in the Sixty-sixth Year of the Republic of India as follows :—

Short title and  
commencement.

1. (1) This Act may be called the Puducherry Value Added Tax (Amendment) Act, 2015.

(2) (a) The provisions of sections 2 to 5 of this Act shall come into force with effect from the 1st day of April, 2015.

(b) The provisions of section 6 of this Act shall be deemed to have come into force with effect from the 29th day of December, 2014.

Amendment  
of section 2.

2. In the Puducherry Value Added Tax Act, 2007 (hereinafter referred to as the Principal Act), in section 2,—

Act  
No.9  
of  
2007.

(a) after clause (zb), the following clause shall be inserted, namely:—

“(zb-A) ‘quarter’ means a period of three months commencing on the first day of April or the first day of July or the first day of October or the first day of January in each year;”.



(b) for the existing clause (zk), the following clause shall be substituted, namely:-

“(zk) ‘tax period’ means,-

(i) for registered dealer other than those referred to in sub-clause (ii), a period of calendar month,

(ii) for registered dealer who has been permitted to pay tax under sub-section (1) of section 19 of this Act, a quarter;”.

3. In section 8 of the Principal Act,

Amendment  
of section 8.

(a) in sub-section (2), the following proviso shall be inserted, namely:-

“Provided that any dealer may opt to pay the registration fee for three years in advance by remitting a sum equal to three times of the fees specified under sub-section (2).”.

(b) for the existing sub-section (4), the following sub-section shall be substituted, namely:-

“(4) A certificate issued under sub-section (3) shall be valid for one year/three years as the case may be and shall be renewed on the expiry of the validity period on payment of the required fee as specified in sub-section (2) or the proviso to sub-section (2) as the case may be until the registration is cancelled.”.

(c) the existing proviso to sub-section (4) shall be omitted.

4. In section 15 of the Principal Act, in sub-section (2), for the words “four per cent”, the words “five per cent” shall be substituted.

Amendment  
of  
section 15.

Amendment  
of  
section 54.

5. In section 54 of the Principal Act, for the words “rupees fifty lakhs”, the words “rupees one crore” shall be substituted.

Amendment  
of the First  
Schedule.

6. In the First Schedule of the Principal Act, after serial number 7 and the entries relating thereto, the following shall be inserted, namely:—

“7A. Aviation turbine fuel sold to an aircraft with a maximum take-off mass of less than forty thousand kilograms operated by scheduled airlines as specified in section 14 of the Central Sales Tax Act, 1956”.

**R. MARGARET ROSALINE,**  
Secretary to Government (Law).



online publication at “<http://styandptg.puducherry.gov.in>”

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**The Gazette of Puducherry**

**PART - II**

**சிறப்பு வெளியீடு**

**EXTRAORDINAIRE**

**EXTRAORDINARY**

அதிகாரம் பெற்ற  
வெளியீடு

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எண் } No. } 5 No. }	புதுச்சேரி Poudouchéry Puducherry	வெள்ளக்கிழமை Vendredi Friday	2021 ௧௩ 12 12th	சுப்ரவார் மீ Février February	12 ௨ 2021 2021
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(23 Magha 1942)

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GOVERNMENT OF PUDUCHERRY

LAW DEPARTMENT

*No. 161/Leg./2021-LD.*

*Puducherry, the 12th February 2021.*

The following Act of the Legislative Assembly, Puducherry, received the assent of the Lieutenant-Governor, Puducherry, on the 11th day of February, 2021 and is hereby published for general information.

**N. MURUGAVEL,**  
Under Secretary to Government (Law).

THE PUDUCHERRY VALUE ADDED TAX  
(AMENDMENT) ACT, 2021

(Act No. 1 of 2021)

(11-02-2021)

An

Act

**further to amend the Puducherry Value Added Tax  
Act, 2007.**

BE it enacted by the Legislative Assembly of Puducherry in the Seventy-first Year of the Republic of India as follows:—

Short title and commencement.

1. (1) This Act may be called the Puducherry Value Added Tax (Amendment) Act, 2021.

(2) It shall be deemed to have come into force with effect from the 29th day of August, 2020.

Amendment of Schedule and insertion of new Schedule.

2. In the Puducherry Value Added Tax Act, 2007,— Act No. 9 of 2007.  
(i) in the Sixth Schedule, the entries against serial numbers 2 and 3 shall be omitted.

(ii) after the Sixth Schedule, the following new Schedule shall be inserted, namely,—

**"THE SEVENTH SCHEDULE  
LIST OF GOODS TAXABLE AT  
THE FIRST POINT OF SALE  
AT THE RATE SPECIFIED IN COLUMN 3**

[See Section 14(1)]

Sl. No.	Description of Goods	Rate
(1)	(2)	(3)
1	<b>Petrol sold at :</b>	
	(a) Puducherry region	28.00%
	(b) Karaikal region	28.00%

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(1)	(2)	(3)
	(c) Mahe region	23.90%
	(d) Yanam region	25.70%
2	<b><i>Diesel sold at :</i></b>	
	(a) Puducherry region	19.75%
	(b) Karaikal region	19.75%
	(c) Mahe region	18.15%
	(d) Yanam region	20.00%".

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**PART - II**

**சிறப்பு வெளியீடு**

**EXTRAORDINAIRE**

**EXTRAORDINARY**

அதிகாரம் பெற்ற  
வெளியீடு

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எண்	} 30	புதுச்சேரி	செவ்வாய்க்கிழமை	2021	௨௦	செப்டம்பர்	21	௨
No.		Poudouchéry	Mardi	21		Septembre	2021	
No.		Puducherry	Tuesday	21st		September	2021	

(30 Bhadra 1943)

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GOVERNMENT OF PUDUCHERRY

LAW DEPARTMENT

No. 123/Leg./2021-LD.

*Puducherry, the 20th September 2021.*

NOTIFICATION

The following Act of the Legislative Assembly, Puducherry, received the assent of the Lieutenant-Governor, Puducherry, on the 20th day of September, 2021 and is hereby published for general information.

**N. MURUGAVEL,**

Under Secretary to Government (Law).

[ 691 ]

THE PUDUCHERRY VALUE ADDED TAX  
(SECOND AMENDMENT) ACT, 2021  
(Act No. 3 of 2021)

(20-09-2021)

AN

ACT

**further to amend the Puducherry Value Added  
Tax Act, 2007.**

BE it enacted by the Legislative Assembly of  
Puducherry in the Seventy-second year of the  
Republic of India as follows:-

Short title and  
commencement.

1. (1) This Act may be called the Puducherry  
Value Added Tax (Second Amendment) Act, 2021.

(2) It shall be deemed to have come  
into force with effect from the 27th day of  
February, 2021.

Amendment of  
Seventh Schedule.

2. In the Puducherry Value Added Tax Act, Act  
2007, in the Seventh Schedule,- No. 9  
of  
2007.

(a) in the entry at Sl.No. 1,

(i) in column (3), against sub-items  
(a) and (b) in column (2), for the  
figures and symbol "28.00%", the  
figures and symbol "26.00%" shall  
be substituted;

(ii) in column (3), against sub-item (c)  
in column (2), for the figures and  
symbol "23.90%", the figures and  
symbol "21.90%" shall be substituted;  
and

- (iii) in column (3), against sub-item (d) in column (2), for the figures and symbol “25.70%”, the figures and symbol “23.70%” shall be substituted.
- (b) in the entry at Sl.No. 2,
  - (i) in column (3), against sub-items (a) and (b) in column (2), for the figures and symbol “19.75%”, the figures and symbol “17.75%” shall be substituted;
  - (ii) in column (3), against sub-item (c) in column (2), for the figures and symbol “18.15%”, the figures and symbol “16.15%” shall be substituted; and
  - (iii) in column (3), against sub-item (d) in column (2), for the figures and symbol “20.00%”, the figures and symbol “18.00%” shall be substituted.