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Registered No.  
PY/44/2021-23

**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

எண் } No. } 3 No. }	புதுச்சேரி Poudouchéry Puducherry	திங்கட்கிழமை Lundi Monday	2021 ௧௮ 18 18th	சனவரி மீ Janvier January	18 ௨ 2021 2021
(28 Pausa 1942)					

**GOVERNMENT OF PUDUCHERRY**  
**LEGISLATIVE ASSEMBLY**

*No. 104/LAS/Ref/2021/Bill.*

*Puducherry, the 18th January 2021.*

Under rule 140 of Rules of Procedure and Conduct of Business of the Puducherry Legislative Assembly, the following Bill *viz.*,

The Puducherry Value Added Tax (Amendment) Bill, 2021 (Bill No. 4 of 2021).

which was introduced in the Legislative Assembly on 18th January, 2021, is published for general information.

**THE PUDUCHERRY VALUE ADDED TAX  
(AMENDMENT) BILL, 2021**

(Bill No. 4 of 2021)

A  
BILL

**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	Petrol sold at :	
	(a) Puducherry region	28.00%
	(b) Karaikal region	28.00%
	(c) Mahe region	23.90%
	(d) Yanam region	25.70%

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

#### STATEMENT OF OBJECTS AND REASONS

Petrol and diesel are subject to tax under the Puducherry Value Added Tax Act, 2007 (hereinafter referred to as the said Act) and are covered in the Sixth Schedule pertaining to the list of goods taxable at the rate of 35% at the first point of sale at entry Nos. 2 and 3. However, a lower tax rate for petrol and diesel is being implemented through notification issued under section 31 of the said Act which empowers the Government to issue notification to reduce the rate of tax payable under the said Act.

2. The rate of tax on petrol and diesel was revised with effect from 29th May, 2020 through notification issued *vide* G.O. Ms. No. 24, dated 27th May, 2020 under section 31 and the new rates were valid only for three months *i.e.*, up to 28th August, 2020. The said notification was challenged before the Hon'ble High Court of Judicature at Madras. The Hon'ble High Court by order, dated 27th August, 2020 quashed the impugned notification, dated 27th May, 2020 observing that alteration to the rate of tax of this nature would have to be effected only by way of amendment to the Schedule itself under section 75 and not by issuance of a notification under section 31 of the said Act.

3. In view of the order of the Hon'ble High Court and to implement new tax rate on petrol and diesel with effect from 29th August, 2020, in exercise of the powers conferred under sub-section (1) of section 75 of the said Act, the Sixth Schedule to the said Act was amended to omit petrol and diesel from it and a new Seventh Schedule containing the rate of tax applicable on petrol and diesel was inserted through a notification issued *vide* G.O. Ms. No. 41, dated 28th August, 2020.

4. In order to give effect to the amendments made in the Sixth Schedule and the insertion of Seventh Schedule in the said Act through the notification, a Bill titled "The Puducherry Value Added Tax (Amendment) Bill, 2021" is proposed to be enacted.

5. This Bill seeks to achieve the above objects.

**V. NARAYANASAMY,**  
Chief Minister.

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FINANCIAL MEMORANDUM

The proposed Puducherry Value Added Tax (Amendment) Bill, 2021 does not involve any recurring or non-recurring expenditure from the Consolidated Fund of the Union territory of Puducherry.

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MEMORANDUM REGARDING DELEGATED LEGISLATION

– Nil –

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ADMINISTRATOR'S RECOMMENDATION  
UNDER SUB-SECTION (1) OF SECTION 23 OF  
THE GOVERNMENT OF UNION TERRITORIES ACT, 1963

(Copy of Letter No. 01-CM/AS/2021, dated 16-01-2021 from the Hon'ble Chief Minister Thiru V. Narayanasamy to the Hon'ble Speaker, Legislative Assembly, Puducherry)

The Lieutenant-Governor, Puducherry, having been informed of the subject matter of the proposed Puducherry Value Added Tax (Amendment) Bill, 2021, recommends under sub-section (1) of section 23 of the Government of Union Territories Act, 1963 (Central Act 20 of 1963), the introduction in and consideration by the Legislative Assembly of the said Bill.

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**R. MOUNISSAMY,**  
Secretary.  
Legislative Assembly Secretariat.