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**The Gazette of Puducherry**

**PART - II**

சிறப்பு வெளியீடு அதிகாரம் பெற்ற வெளியீடு விலை : ரூ. 2-00	<b>EXTRAORDINAIRE</b> Publiée par Autorité Prix : Rs. 2-00	<b>EXTRAORDINARY</b> Published by Authority Price : Rs. 2-00
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(13 Pausa 1929)			

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

No. 14888/2007-LA.(Legn.).

*Puducherry, the 3rd January 2008.*

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

“The Puducherry Value Added Tax (Amendment) Bill, 2008 (Bill No. 1 of 2008)”

which was introduced in the Legislative Assembly on January 3, 2008 is published for general information.

**THE PUDUCHERRY VALUE ADDED TAX  
(AMENDMENT) BILL, 2008  
(Bill No. 1 of 2008)**

A  
BILL

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

BE it enacted by the Legislative Assembly of Puducherry in the Fifty-eighth 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, 2008.

(2) It shall be deemed to have come into force with effect from the 1st day of July 2007.

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 28 and the entries relating thereto, the following shall be inserted, namely:—

“28-A. Goods which are sold by any dealer, namely:—

1. Aluminium utensils
2. Asafoetida (Hing)
3. Bagasse
4. Broom stick
5. Butter without any brand name
6. Camphor
7. Candles
8. Chillies, coriander, turmeric
9. Edible oil, vegetable oil, oil cake and de-oiled cake.

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10. Energy saving choolas, solar cookers, waste conversion devices for producing energy and wind mill for generation of electricity.
  11. Footwear costing less than two hundred rupees.
  12. Gauze or bandage cloth
  13. Goods manufactured by Blacksmiths
  14. Gum benzoin including instant sambrani in all forms, agarbathi, dhoop, dhupkathi, dhuphati.
  15. Handicrafts
  16. Hand pumps and its spare parts
  17. Hurricane lights, kerosene lamp, kerosene stoves, lantern, petromax, chimney lamp.
  18. Jamakalams
  19. Kerosene sold through PDS
  20. Life saving drugs as notified by the Government.
  21. Masala powder
  22. Panchamirtam, namakkati, vibhuthi, sandanam and prasadam.
  23. Safety matches
  24. Saree falls, lace, ribbon
  25. Shikakai and shikakai powder
  26. Software with complete Tamil or Malayalam or Telugu version.
  27. Tamarind, tamarind seed and powder

28. UNICEF greeting cards, diaries and calendars.
29. Vermicelli
30. Writing instruments, pencils, sharpeners, pens, ballpoint pens, refills, stainless steel nibs, color pencils, black boards, dusters, geometry boxes and dissection boxes.”;

(b) for serial number 50 and the entries relating thereto, the following shall be substituted, namely:—

“50. Sugar and textile covered under the Additional Duties of Excise (Goods of Special Importance) Act, 1957 and un-manufactured tobacco, bidis and tobacco used in the manufacture of bidis”; Central Act 58 of 1957.

(c) for serial number 53 and the entries relating thereto, the following shall be substituted, namely:—

“53. Toddy and Neera”; and

(d) after serial number 55 and the entries relating thereto, the following shall be inserted, namely:—

“56. Liquor including IMFL and imported liquor from foreign countries.”.

(ii) in the Third Schedule relating to the list of goods taxable at the rate of four per cent at each point of sale,—

(a) the entries against the serial numbers 16, 30, 48, 59, 59(A), 60, 62, 72, 73, 111, 121, 129 and 134 shall be deleted;

(b) in the entries against serial number 107, the words “and generation of electricity” shall be omitted;

(c) in the entries against serial number 118, for the words “Spices of all varieties and forms including cumin seed, aniseed, turmeric and dry chillies”, the words “Spices of all varieties and forms including cumin seed and aniseed” shall be substituted;

(iii) in the Fifth Schedule relating to the list of goods taxable at the rate of twenty per cent at the point of first sale, after serial number 3 and the entries relating thereto, the following shall be inserted, namely:—

“4. Arrack Pattai”;

(iv) in the Sixth Schedule, the entries against the serial number 1 shall be deleted.

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#### STATEMENT OF OBJECTS AND REASONS

The Puducherry Value Added Tax Ordinance, 2007 (No. 1 of 2007) was promulgated by the Administrator of the Union territory of Puducherry on the 2nd June 2007 and the said Ordinance has come into force with effect from 1st July 2007. Thus, all the financial measures hitherto in force stand modified and the trade and industry in the Union Territory are forced to meet innumerable difficulties consequent on the implementation of the system of value added tax in the Union Territory. In order to remove the financial constraints faced by the trade and industry in the Union Territory and for achieving smooth transition from the single point of levy to multi point levy with effect from 1st July 2007, the goods *viz.*, tobacco other than its exempted species and arrack pattai have been taxed and some of the goods have been allowed exemptions from levy of value added tax by virtue of the notifications issued under the Ordinance.

The above Ordinance has been replaced by the Puducherry Value Added Tax Act, 2007 (Act No. 9 of 2007). By virtue of section 82 of the Puducherry Value Added Tax Act, 2007 the abovesaid notifications shall be deemed to have been issued under the Act.

The goods *viz.*, tobacco except its exempted species and arrack pattai which are taxed and the goods for which exemptions allowed under the Ordinance with effect from 1st July 2007 have been proposed to be taxed and exemption allowed in the Bill with effect from the 1st day of July 2007 until the necessity therefor ceases, for the sustained growth of the economy of the Union Territory.

In order to give effect to the alterations made through the said notifications, a Bill titled “the Puducherry Value Added Tax (Amendment) Bill, 2008” is proposed to be enacted.

The Bill seeks to achieve the above objects.

**N. RANGASAMY,**  
Chief Minister.

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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. 17-1/CM/Secy./PA/2007, dated 27-12-2007 from Hon’ble Thiru N. Rangasamy, Chief Minister 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, 2008 providing for the levy of value added tax in the Union Territory, 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.

**M. SIVAPRAKASAM,**  
Secretary,  
Legislative Assembly Secretariat,  
Puducherry.

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