

CITIZENS'
CHARTER

INDEX

Sl.No.	Chapter	Page No.
1	Preface	1
2	The Vision and Mission of the Organization	2
3	About the Department	3
4	A Basic introduction to VAT	8
5	Services offered to Stakeholders and Grievance Redressal Mechanism and other assurances made by the Department	
	(A) Registration	15
	(B) Issue of Permits	19
	(C) Issue of Statutory Forms	21
	(D) Online filing of Returns	22
	(E) Refunds	23
	(F) Advance Ruling Authority	26
	(G) Provision of acknowledgments	26
	(H) Provision of Assessment / Audit Orders	27
	(I) Information provision services	28
	(J) Issue of Clearance Certificates	28
	(K) Statutory Mechanism for Appeal and Revision	28
	(L) Assurance to give effect to the orders of various Appellate Authorities	31
6	Citizens and Tax Payers Responsibilities	
	(a) Citizens responsibility to insist for sale bills	32
	(b) Citizens responsibility to inform about tax evasion	32
	(c) Citizens responsibility to offer constructive and productive suggestions	33
	(d) Dealers responsibility to file returns and pay taxes	33
	(e) Dealers responsibility to display the registration certificate	33
	(f) Dealers responsibility to maintain proper records	33
	(g) Dealers responsibilities during Audit proceedings, investigation proceedings, shop inspections and Lorry Checks.	33
	(h) Dealers responsibility to respond to summons	34
	(i) Other responsibilities of the Dealers / persons	34
7	Conclusion	35

1. Preface:

In any modern democracy, and more so in a welfare state like India, the citizens are at the core of governance and the State exists for providing an environment where all its citizens irrespective of their religion, caste, colour, language, region, class and gender can develop all the latent potentialities in them and contribute to the collective welfare of the society. Good governance is therefore, the basic prerequisite for ushering in an equitable, stable, harmonious and prosperous society; and good governance which is not citizen centric is inconceivable. A citizen centric administration is characterized by a sound legal frame work buttressed by a vibrant institutional mechanism which is staffed by competent personnel, clear cut policies for decentralization and delegation, free access to information, efficient and effective grievance redressal mechanism and citizen's participation in governance.

A Citizens Charter is basically a set of assurances and genuine commitments made by an Organization to all its stakeholders defining and explaining the various services delivered by it and standards set by it for the delivery of the above services; and it strives to make an Organization transparent, accountable and citizens friendly. It helps the stakeholders understand the nature of service they can expect from a particular organization and also the reciprocal responsibilities expected from the stakeholders. Therefore, citizens charters helps in creating accountability in organizations and its contribution to good governance and citizen centricity is immense.

This citizens' charter disseminates information regarding the manifold activities and services of this Department and throws light on different aspects of VAT in a condensed form, and invites all the interested stakeholders to seamlessly navigate through it, and cooperate with the department's attempt to rapidly increase the awareness on the subject both for the prompt realization of Government Revenue and greater comfort and satisfaction for the taxpayers.

2. The Vision and Mission of the Organization

- ❖ To efficiently mobilize revenue (taxes) under the VAT and CST Acts at the possible minimum cost to the exchequer and by providing the maximum level of convenience to the tax payers.
- ❖ To create a hassle free environment for Trade, Commerce and Industry to thrive and prosper and contribute to general socio-economic development.
- ❖ To promote compliance with the Value Added Tax Law and Central Sales Tax Law by simplification of processes and procedures, by disseminating the requisite knowledge and information to the tax payers at their doorsteps and by consistently striving to harness the resources of information technology.
- ❖ To provide quality service to the tax payer by setting high standards and norms for each service.
- ❖ To ensure transparency & accountability in all the activities.

3. About the Department

The Puducherry Commercial Taxes Department which contributes more than 61% of the State's Own Tax Revenue (SOTR) was set up in the year 1966 for administration of the Pondicherry General Sales Tax Act, 1967 and Central Sales Tax Act, 1956 in the Union Territory of Puducherry. The taxes collected by this Department are utilized for manifold developmental activities of the Government aimed at promoting the economic well being and social welfare of the inhabitants of the Union territory of Puducherry, and have contributed significantly to the phenomenal industrialization and economic development of Puducherry.

Value Added Tax was introduced in the Union Territory of Puducherry from 1st July, 2007 replacing the Pondicherry General Sales Tax Act, 1967. Presently, this department is engaged in the administration of the Puducherry Value Added Tax Act, 2007 and the Central Sales Tax Act, 1956. It would be pertinent to emphasize that the cost of tax collection, calculated as the percentage of total expenditure incurred by the Department towards salaries and administrative expenses to that of the total tax collected, is among the lowest in the country; and the per-capita dealer tax collection is among the highest. This Department strongly and sincerely believes:

(a) That simple access to information empowers all the stakeholders & citizens regarding the various aspects of Tax Administration and the services to which they are entitled and thus contributes significantly to efficient implementation of Legislation.

(b) In voluntary compliance, transparency, accountability and fairness.

(c) That every stakeholder is entitled for courteous treatment while interacting with tax officials and

(d) That every stakeholder and especially the tax payers should be conversant with the various provisions of Tax Legislations and should ensure transparency and fairness in their transactions and payment of taxes.

Administrative Set Up of the Commercial Taxes Department

The Commercial Taxes Department is headed by the Commissioner (CT) and is assisted by one Deputy Commissioner and two Assistant Commissioners. The Deputy Commissioner normally assists the Commissioner (CT) in the overall administration of the Department. Out of two Assistant Commissioners, one Assistant commissioner looks after Audit & Intelligence and the other Assistant Commissioner serves as the First Appellate Authority.

For filing of returns and collection of tax, there are four Assessment Divisions in Puducherry region and one each in three outlying regions of Karaikal, Mahe and Yanam. In all the divisions in Puducherry the Commercial Tax Officer is assisted by two Deputy Commercial Tax Officers and one Assistant Commercial Tax officer. In Karaikal and Mahe the Commercial Tax Officer is assisted by only one Assistant Commercial Tax Officer. In Yanam, the Dy. Commercial Tax Officer is the incharge for assessment, audit and collection of tax. All the said officers are Assessing Officers. All the registered dealers are assigned to a particular Assessing Officer to whom he has to report his turnover and pay tax and VAT Audits will normally be conducted by a team headed by the Assessing Officer. The Assessment Divisions of Puducherry region are called as Division - I, Division - II, Intelligence Wing and Industrial Assessment Circle. All the Divisions and Registration Cell are housed in one building located at 100 Feet Road, Near Indira Gandhi Statue, Ellaipillaichavady, Puducherry-605 005.

The registration of dealers is centralized in Puducherry. The Deputy Commercial Tax Officer has been appointed as Registering Authority for Puducherry region and is known as Deputy Commercial Tax Officer (Registration Cell). In Karaikal and Mahe, the Assistant Commercial Tax Officer and Commercial Tax Officer respectively are appointed as Registering Authorities. At Yanam, the Deputy Commercial Tax Officer is the Registering Authority.

In the Office of the Commissioner, the Commercial Tax Officer (Headquarters) is nominated as Public Relations Officer. The dealers

may contact the said Officer for any information, but clarifications in writing are issued only by the 'Authority for Clarifications and Advance Rulings' consisting of, a chairman in the rank of the Deputy Commissioner or Assistant Commissioner and two other members not below the rank of the Commercial Tax Officer.

For the purposes of the Right to Information Act, 2005, the following officers are appointed as the Public Information Officers for the respective offices and the Commissioner (CT) is appointed as the First Appellate Authority for RTI appeal.

Sl. No	Designation of Public Information Officer	Concerned office in the Commercial Taxes Department of the Union Territory	Designation of the First Appellate Authority
01.	Appellate Assistant Commissioner (CT), Puducherry	O/o the Appellate Assistant Commissioner (CT)	Commissioner (CT), Commercial Taxes Department, Puducherry.
02.	Commercial Tax Officer, Division-I, Puducherry	O/o the Commercial Tax Officer, Division-I, Puducherry	
03.	Commercial Tax Officer, Division-II, Puducherry	O/o the Commercial Tax Officer, Division-II, Puducherry	
04.	Commercial Tax Officer, Division-Intelligence Wing, Puducherry	O/o the Commercial Tax Officer, Division-Intelligence Wing, Puducherry	
05.	Commercial Tax Officer, Division-Industrial Assessment Circle, Puducherry	O/o the Commercial Tax Officer, Division-Industrial Assessment Circle, Puducherry	
06.	Commercial Tax Officer, (Head Quarters), Puducherry	O/o the Commissioner (CT), Puducherry (For matters other than Establishment & Accounts)	
07.	Superintendent (Establishment), Commercial Taxes Department, Puducherry	O/o the Commissioner (CT), Puducherry (For matters relating to Establishment and Accounts)	
08.	Commercial Tax Officer, Karaikal	O/o the Commercial Tax Officer, Karaikal	
09.	Commercial Tax Officer, Mahe	O/o the Commercial Tax Officer, Mahe	
10.	Deputy Commercial Tax Officer, Yanam	O/o the Commercial Taxes Department, Yanam	

Commercial taxes and two other members not below the rank of the Commercial Tax Officer.

For the purposes of the Right to Information Act, 2005, the Heads of Division are the Public Information Officer for their respective Divisions and all the applications for information have to be addressed to them.

All the officers and staff members are supplied with photo identity card. The phone numbers of the Commissioner, Deputy & Assistant Commissioners, and the Commercial Tax Officers are given below.

OFFICERS AND TELEPHONE NUMBERS

Sl.No	Name	Designation	Telephone numbers	
			Office	Residence
1.	L.Kumar	DEPUTY COMMISSIONER (CT)	2205070(fax) 2203779	2292512
2.	K. SRIDHAR	DEPUTY COMMISSIONER	2204488	
3.	A. MATHIVANAN	APPELATE ASSISTANT COMMISSIONER	2206979	2245623
3.	VACANT	APPELATE ASSISTANT COMMISSIONER	2203497	
4.	VACANT	C.T.O.(HQ)	2203055,2203422	
5.	K. RADHAKRISHNAN	C.T.O.(DIV-I)	2203055,2203422	
6.	V.ILLANGO VAN	C.T.O.(DIV-II)	2203055,2203422	2257235
7.	K. KABALAN	C.T.O.(DIV.IW)	2203055,2203422	2204646
8.	D. MOHANAKUMAR	C.T.O.(DIV-IAC)		
9.	K. GANESAN	Addl. C.T.O. (DIV-IAC)	2203055,2203422	
10.	K. GANESAN	CTO (Karaikal)	(04368)222582	
11.	K. SUREN DIRAN	CTO (Mahe)	(0490)2332330	
12.	P. DEVARAJAN	DCTO (Yanam)	(0884)2321215	

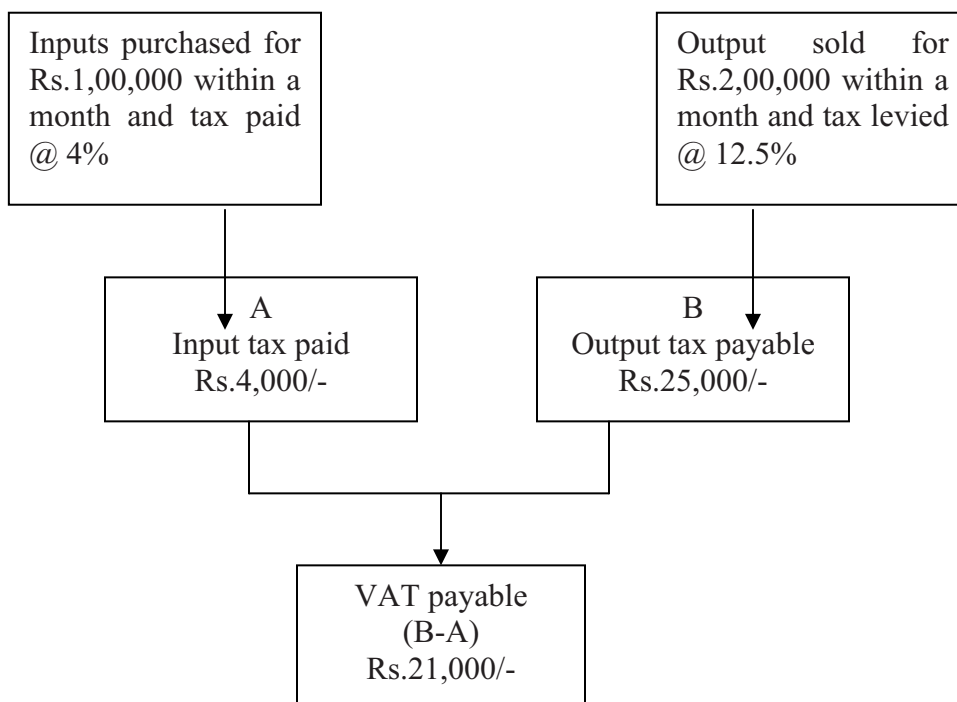
4. Administration of VAT and CST

A. Introduction to VAT

1. What is VAT?

VAT is an indirect tax levied and collected at each point of sale/purchase of goods. The unique feature of VAT is that VAT provides set-off for the tax paid earlier through input tax credit. This input tax credit can be set off by a registered dealer against the amount of his output tax.

VAT liability of the dealer is calculated by deducting input tax credit from output tax.



2. When does a transaction come under the purview of Puducherry Value Added Tax Act, 2007(PVAT)?

If the sale or purchase of goods takes place within the Union Territory, such transactions come under the purview of PVAT Act, 2007.

3. When does a transaction come under the purview of CST Act, 1956?

When the goods move from one State to another as a result of sale, such sales are known as inter-State sales and come under the purview of Central Sales Tax Act, 1956. It is a central Act administered by all the States/Union Territory.

4. What are the rates of Tax under PVAT Act 2007?

Under the PVAT Act, 2007 goods are taxable at multi- points. The rates of tax are prescribed in the Schedules annexed to the Act.

There are six Schedules.

- ✧ First Schedule contains the goods that are exempted.
- ✧ Second Schedule has two parts (Part A & part B) which contains goods taxable at 1% at each point of sale and at the last point of purchase respectively.
- ✧ Third Schedule has four parts (Part A, Part B, Part C & Part D), which contains the list of goods taxable at 4% at each point of sale, and at points of first & last purchase and at the point of last sale respectively.
- ✧ Fourth Schedule has two parts (Part A & Part B) which contains list of goods taxable at 12.5% at each point of sale and at the point of last purchase respectively.
- ✧ Fifth Schedule has two parts (Part A & Part B) which contains the list of goods taxable at 20% at the point of first sale and at each point of sale respectively.
- ✧ Sixth schedule contains the list of goods taxable at 35% at the point of first sale.
- ✧ Apart from the schedules, the Government, in the larger public interest has reduced rates of tax for certain commodity by issue of notification under section 31 of the Puducherry Value Added Tax, 2007.

5. When a license under VAT is to be taken?

- i. Dealers who purchase from other States and whose total turnover in any year is not less than Rs.5 lakhs should get registration under PVAT Act, 2007.
- ii. Dealers who purchase and sell goods exclusively within the Union Territory and whose total turnover in a year is not less than rupees ten lakhs should get registration under PVAT Act, 2007.

Dealers dealing in IMFL, bullion and specie, dealers registered under the Central Sales Tax Act, every commission agent, broker, auctioneer, Casual trader and non-resident dealer are required to get registration irrespective of their quantum of total turnover.

6. Under what circumstances a dealer is liable to pay tax?

- i. Every dealer registered or liable to be registered under PVAT Act, 2007 whose total turnover for a year exceeds rupees five lakhs and every casual dealer 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.
- ii. Any dealer registered or liable to be registered under PVAT Act, 2007 (other than a casual dealer, non-resident dealer) who purchases and sells goods **exclusively within the Union Territory** and whose total turnover in a year is not less than rupees ten lakhs, shall pay a tax on the taxable turnover in each tax period at the rate and at the point as specified in the schedules.

7. What are the returns to be filed and when?

Every dealer registered under this Act will have to file a return for every month and pay the tax due thereon on or before 15th of the succeeding month. The following are the monthly returns to be filed by different classes of dealers.

Form-I	Return for VAT dealers
Form-J	Return for Non-VAT dealers/ dealers who effect the last sale of electrical energy within Union territory.
Form-K	Return for payment of tax at compounding rate
Form-L	Return for works contract at compounding rate
Form-M	Return of Quarterly Turnover for Govt. Deptts.

8. What are the Important Dates to be remembered as an Assessee?

Sl. No	Details	Forms	Date	Rule
1	Monthly Returns	Form I,J,K,L	On or before 15 th of the succeeding month	Rule 19(1), 3(2),19(6), 19(8), 19(9), 19(11), 24(2) and 45(8)(b)
2	Return of Quarterly Turnover for Government Departments	Form-M	On or before the 20 th of the succeeding the quarter	Rule 19(10)
3	Certificate of the Chartered Accountant /Cost Accountant under Section 54	Form CC	On or before 30 th September of the year succeeding to which it relates.	Rule 52
4	Registration Renewal		On or before 30 th of April every year	Rule 8
5	Renewal of Permit for Travelling Salesman and Representatives	Form -Q	On or before 30 th of April every year.	Rule 13
6	ITC Statement	Form – YY	Within 45 days from the end of each year	Rule 28(2)

9. What is Input Tax Credit (ITC)?

The tax paid on purchases made locally that is available for setoff against tax collected on sales is termed as Input Tax Credit, and it is a unique feature of the VAT system and it is intended to eliminate the cascading effect.

10. What are the circumstances under which a dealer can claim ITC?

A registered VAT dealer can claim ITC only when the following conditions are fulfilled:

- a) The purchases should have been made by a VAT dealer from a registered VAT dealer within the Union Territory for resale or for use in manufacture or processing or for use as packing materials or capital goods.

b) In the case of manufacture, ITC can be claimed only when the Input is used for the manufacture of taxable goods.

c) When the input is transferred in the same form or otherwise, other than by way of sale outside the Union territory, then ITC is allowed to tax paid in excess of prevailing CST rate.

The dealers who are paying tax under the compounding scheme are not eligible for any claim of ITC on the purchases made by them. Similarly any purchase made from a compounding dealer is also not eligible for setoff.

11. What are the goods not eligible for ITC?

The following goods are not eligible for any claim of ITC

- a) IMFL, Molasses, rectified spirit,
- b) Narcotics & pan masala
- c) Civil structures and immovable goods or properties
- d) Petrol, Diesel, ATF and other motor spirit
- e) Office Equipment
- f) Building materials used in construction activity except by dealers executing works Contract
- g) Sugarcane
- h) Capital goods purchased prior to the commencement of Puducherry Value Added Tax Act, 2007.
- i) Capital goods purchased by dealer in IMFL, rectified spirit, narcotics and pan masala

12. Whether Input Tax credit can be claimed for CST purchase?

No. ITC cannot be claimed on purchases made from outside the State.

13. What is the nature of Compounding scheme under VAT and what are the qualifying conditions to avail it?

Any dealer who effects second and subsequent sales of goods within the Union Territory and whose total turnover under VAT and CST

together is less than Rupees 50 lakhs can avail the compounding option and pay tax at 0.50% of his taxable turnover instead of the rates specified in the schedules. The permission of the assessing authority has to be obtained in order to avail the compounding option. Moreover, if in a year the turnover of a dealer who has exercised compounding option exceeds Rs.50 lakhs, the permission so granted will be automatically revoked and he has to pay Tax at the rates mentioned in the schedule from the next tax period onwards.

14. Can a dealer who has opted for Compounding scheme, under Section 19, collect tax and avail ITC?

NO, the dealer who has opted for compounding scheme should neither collect any amount by way of tax nor avail any ITC.

15. What are the conditions in which compounding rate of tax is not allowed?

The casual dealers are not allowed to avail the compounding scheme (0.50 % rate). The dealers who effect Inter-State purchases are not eligible for compounding scheme. Moreover the dealers who deal in the following commodities are also not eligible for compounding scheme:

- A) IMFL
- B) Sugarcane
- C) Pan masala
- D) Narcotics &
- E) Rectified Spirit

16. What is works contract and in what manner it is taxable ?

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.

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 at the rates provided in the schedule. It is immaterial whether transfer of property on such goods occurred in the same form or otherwise and can avail ITC to the extent of tax paid on the purchase of Input against output tax. However a dealer executing works contract can opt to pay tax by way of composition at four percent on seventy percent of the value of consideration received or receivable. But the dealer opting for payment of tax on compounding rate shall not claim ITC on the inputs.

17. When a transaction under Works Contract is not taxable?

When no transfer of property is involved in the same form or in some other form in the execution of works contract, then, no tax is chargeable.

18. When are refunds eligible under VAT?

A dealer effecting sales falling under sub-section (1), (3) and (5) of section 5 of the CST 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.

Similarly the tax paid on the purchases made by consulates or embassies of any country located in the union territory is also eligible for refund.

5. Services offered to Stakeholders and Grievance Redressal Mechanism

(A) Registration

1. Registration under the PVAT Act, 2007

For getting registered under the PVAT Act, 2007, an application in Form A under the PVAT Act, 2007 and an application in Form A under the CST Act, 1956 should be submitted to the Registering Authority along with the following documents.

- a) Two Nos. of recently taken passport size photograph of the applicant;
- b) Lease Agreement Deed in the case of rented building;
- c) Partnership Deed in the case of partnership concern;
- d) Memorandum & Articles of Association in the case of Limited Company;
- e) Xerox copy of Ration Card;
- f) License/ certificate issued by the Industries Department / Commune Panchayats / Pollution Control Authority / Civil Supplies etc.;
- g) Demand Draft in favour of Commercial Tax Officer towards the registration fees as applicable;
- h) Other documents as the Registering Authority deems necessary.

2. Place to obtain the application in Form A

The application in Form A can be obtained from the respective Registering Authority of the concerned Region. In Pondicherry, it can be obtained from the Dy. Commercial Tax Officer (Registration Cell); in Karaikal, it can be obtained from the Commercial Tax Officer (Karaikal); in Mahe, it can be obtained from the Commercial Tax Officer (Mahe); and in Yanam, it can be obtained from the Dy. Commercial Tax Officer (Yanam).

3. Registration Fee, Payable Under the VAT Act, 2007

- a) Rs.5,000/- for IMFL dealers
- b) Rs.10,000/- for MSI and LSI units.
- c) Rs.100/- for other dealers and SSI units
- d) Rs.100/- for every branch and godown.

4. Registration Fee Payable under the CST Act

Rs.25/- in the form of court fee stamp in all cases.

5. Time taken to get the Registration once the application is submitted

If the application for Registration is in order and if the Registering Authority is satisfied with its genuineness, a certificate in Form E allotting a tax payer identification number will be issued within 30 days from the receipt of the application.

6. Validity period for the Registration Certificate

The registration certificate shall be valid for one financial year and shall be renewed from year to year on payment of fees prescribed.

7. Procedure to receive duplicate copies of Registration Certificate when the original has been lost

If the Registration certificate is lost or is accidentally destroyed the dealer can apply to and obtain from the Registering Authority a duplicate Registration Certificate on payment of a fee of Rupees Hundred. Similarly extra copies of the Registration Certificate for each additional place of business can be obtained at a fee of Rupees Hundred each.

8. Circumstances under which a dealer's Registration can be cancelled

Any registered dealer, whose

- 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 five lakhs, or
- iii. any dealer registered under this Act has committed the offence of evasion of tax, or
- iv. The dealer dies;

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.

Notwithstanding anything contained above, the registering authority shall have power, for good and sufficient reasons, to cancel, modify or amend any registration certificate issued by him.

9. Responsibilities of the Registering Authority

The Registering Authority should after making the necessary enquiry and verification, issue the certificate of Registration within 30 days from the date of receipt of application. If the application is rejected, the same should be explained to the Applicant through a notice within 30 days from the date of receipt of the application, otherwise, the dealer shall be deemed to have been registered with effect from the date of submission of his application for Registration.

10. Assurances are given by the Department with respect to Registration of Dealers

Even though, the law provides a maximum period of 30 days for the grant of Registration, this Department assures to issue TIN number and Registration Certificate within 15 days from the date of application for Registration.

11. Grievance Redressal Mechanism when a dealer experiences difficulty in getting himself registered

(i) When the dealer's application for registration has been rejected by the Registering Authority, the dealer can prefer the Revision Petition before the Commissioner (CT) within a period of 30 days from the date from which the rejection order was served on him, and the same will be disposed off within a maximum period of 90 days.

(ii) However, if the dealer experiences other difficulties in Registration, he can make use of the following elaborate Grievance Redressal Mechanism which has been designed to address Citizen's Grievances.

(a) The aggrieved dealer is requested to kindly send his complaint/grievance with all the requisite details to the Public Relation Officer / Commercial Tax Officer

(HQ) at the address mentioned below. If the contents of the complaint/grievance are genuine, this Department assures that the same would be redressed within fifteen days from the date of receipt of the complaint by the Public Relation Officer / Commercial Tax Officer (HQ). Even if the complaint is not genuine, he would be entitled for a reply within a above period from the Public Relation Officer / Commercial Tax Officer (HQ). It is also hereby assured that whenever the dealer has requested to maintain confidentiality, the same would be strictly maintained, if the situation permits it.

(b) If the complaint/grievance is not redressed within a period of fifteen days, the aggrieved dealer is requested to kindly forward a copy of his complaint to the Deputy Commissioner (CT) mentioning the fact that he had already preferred a complaint before the Public Relation Officer but his grievance has remained unaddressed. This Department assures that his grievance if genuine, would be redressed within fifteen days from the date of receipt of the complaint by the Deputy Commissioner (CT). He would also be entitled to know why his complaint was not looked into and grievance redressed within the first fifteen days itself.

(c) If the grievance remains unaddressed even at this stage, the dealer can make a complaint along with necessary details and particulars to the Commissioner (CT) stating that his grievances remain unaddressed even after the expiry of one month. If the grievances are genuine, it would be rectified within a period of one week from the date of receipt of the complaint by the Commissioner (CT).

The addresses for preferring complaints and grievances are given below:-

The Commercial Tax Officer(Headquarters)-cum-
Public Relation Officer,
CT Complex, 100 Feet Road,
Ellaipillaichavady, Puducherry – 605 005.
Phone No: 0413-2203422, 2203055



The Deputy Commissioner (CT),
CT Complex, 100 Feet Road,
Ellaipillaichavady, Puducherry – 605 005.
Phone No: 0413-2203422, 2203055



The Commissioner (CT),
CT Complex, 100 Feet Road,
Ellaipillaichavady, Puducherry – 605 005.
Phone No: 0413-2203422, 2203055

B. Issue of Permits

In case the dealer desires to conduct business through travelling sales man, he is required to obtain salesman permit from the Assessing Officer concerned. The application for such permit is to be submitted with a fee of Rs.100 before the concerned Assessing Officer. The permit will be issued within 30 days from the date of receipt of application with fees. Such permit is renewable from year to year on payment of Rs. 100 and if the permit is lost, a duplicate copy can be obtained by making an application along with a fee of Rs.100 to the Assessing authority.

1. Procedure for obtaining a Permit

A dealer desirous of employing a traveling salesman shall submit an application for permit specifying the name and address of the registered dealer, the number and date of his Registration and the name and address of the traveling salesman along with a passport size photograph to the respective Assessing Authority.

The application should be submitted sufficiently in advance of the date from which the dealer desires to employ a salesman.

The fee for the grant of permit shall be Rs.100 for every permit.

2. Responsibility of the Assessing Authority with respect to the issue of permits

The Assessing Authority after satisfying that the application for permit is in order and the requisite fee has been paid should issue a permit in Form Q within 7 days from the date of receipt of the application for permit.

If the applicant does not receive the permit within 7 days or if no notice is received by him, the permit shall be deemed to have been issued.

3. Assurances of the Department

Though the law provides a maximum period of 7 days for the issue of permits, this Department endeavors to issue permits from the date of receipt of application for permit.

4. Grievance Redressal Mechanism

(i) When the dealer's application for permit has been rejected by the Assessing Authority, the dealer can prefer the Revision Petition before the Commissioner (CT) within a period of 30 days from the date from which the rejection order was served on him, and the same will be disposed off within a maximum period of 90 days.

(ii) However, if the dealer experiences other difficulties in getting permits, he can make use of the following elaborate Grievance Redressal Mechanism which has been designed to address Citizen's Grievances.

(a) The aggrieved dealer is requested to kindly send his complaint/grievance with all the requisite details to the Public Relation Officer / Commercial Tax Officer (HQ) at the address mentioned below. If the contents of the complaint/grievance are genuine, this Department assures that the same would be redressed within fifteen days from the date of receipt of the complaint by the Public Relation Officer / Commercial Tax Officer (HQ). Even if the complaint is not genuine, he would be entitled for a reply within a above period from the Public Relation Officer / Commercial Tax Officer (HQ). It is also hereby assured that whenever the dealer has requested to maintain confidentiality, the same would be strictly maintained, if the situation permits it.

(b) If the complaint/grievance is not redressed within a period of fifteen days, the aggrieved dealer is requested to kindly forward a copy of his complaint to the Deputy Commissioner (CT) mentioning the fact that he had already preferred a complaint before the Public Relation Officer but his grievance has remained unaddressed. This Department assures that his grievance if genuine, would be redressed within fifteen days from the date of receipt of the complaint by the Deputy Commissioner (CT). He would also be entitled to know why his complaint was not looked into and grievance redressed within the first fifteen days itself.

The addresses for preferring complaints and grievances are given below:-

The Commercial Tax Officer(Headquarters)-cum-
Public Relation Officer,
CT Complex, 100 Feet Road,
Ellaipillaichavady, Puducherry – 605 005.
Phone No: 0413-2203422, 2203055



The Deputy Commissioner (CT),
CT Complex, 100 Feet Road,
Ellaipillaichavady, Puducherry – 605 005.
Phone No: 0413-2203422, 2203055

C. Issue of Statutory Forms

This Department had been issuing the various statutory forms to dealers prescribed by the Central Sales Tax Act, 1956. For the period prior to 01.07.2007, the statutory forms were issued manually by the concerned Assessing Authority after the submission of an application by the dealer. However, with effect from 01-07-2007 this Department has introduced the user friendly mechanism of online issue of Declaration Form C and Form F. Valuable time for the tax payer is saved, as he can easily and effortlessly take print outs of the statutory forms after submitting the necessary details through the departmental website to the concerned Assessing Officer by using the user id and password which he utilizes for filing the returns.

1. Procedure for obtaining C&F Forms

This Department has come out with elaborate, simple and user friendly manuals which will enlighten the dealer about the process of generating online statutory forms. The manuals for generating online C & F forms are available to all dealers, free of cost, and can be obtained from the PRO/CTO (HQ), Commercial Taxes Department. The Departments website <http://gst.puducherry.gov.in> can also be accessed to get further details about the online procedure for obtaining C & F forms.

2. Grievance Redressal Mechanism

An institutional mechanism for sorting out the problems faced by dealers while utilizing the Department's website for issue of Declaration Forms has been created. The dealers are hereby requested, whenever they encounter problems mentioned above, to contact their respective Assessing Officer and inform him/her about their problem and prefer a complaint in writing. This Department assures that the problem, if genuine, would be redressed within three days from the day the dealer makes information in writing to the concerned Assessing Officer. If the dealers grievance is not addressed within a period of 3 days, the dealer is requested to inform in writing to the PRO/CTO (HQ), Commercial Taxes Department about the grievance and this Department assures to redress it within a maximum period of 7 days.

D. Online Filing of Returns

As already mentioned, this Department strongly believes that the utilization of information and communication technology (ICT) in the Administration of Tax Laws greatly enhances tax payer convenience and ensures transparency and accountability. It also reduces the cost of collection. In line with this, this Department has introduced the online filing of returns with effect from the month of April 2010 for all the tax payers except those who file returns and pay taxes under the Composition Scheme. The dealers by accessing the Department's website can easily file their monthly returns from any place and by following the simple and user friendly instructions provided in the Departments' website. Only the acknowledgment generated along with the monetary instrument of tax remittance should be submitted to the Department on or before the prescribed dates.

2. Grievance Redressal Mechanism

An institutional mechanism for sorting out the problems faced by dealers while utilizing the Department's website for filing the monthly returns has been created. The dealers are hereby requested, whenever they encounter problems mentioned above, to contact their respective

Assessing Officer and inform him/her about their problem and prefer a complaint in writing. This Department assures that the problem, if genuine, would be redressed within three days from the day the dealer makes information in writing to the concerned Assessing Officer. If the dealers' grievance is not addressed within a period of 3 days, the dealer is requested to inform in writing to the PRO/CTO (HQ), Commercial Taxes Department about the grievance and this Department assures to redress it within a maximum period of 7 days.

E. Refunds

1. Eligibility for Refunds

(a) A dealer effecting export sales, in any tax period shall be eligible for refund of tax, if the input tax credit exceeds the amount of tax payable.

(b) Where a dealer had reported excess credit for 24 consecutive months, he can make a claim for refund.

(c) In the event of cancellation of Registration, any dealer who has accumulated credit in his account can make a claim for refund.

(d) When organizations like the consulates and Embassies of any country or specialized Agencies of United Nations located in the Union Territory of Puducherry, pay tax on their purchases, they are eligible for getting the tax paid by them refunded.

(e) Where tax at the point of last purchase has been levied and collected but that point has turned out to be not the point of last purchase, in such circumstances also the tax so collected shall be refunded to the dealer.

(f) Finally, 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. Time limit for issue of Refunds

If the claim for refund is in order, then the refund would be made within a period of 90 days from the date of receipt of such claim for refund.

3. Procedural Mechanisms in Refund

(a) Any assessee preferring a refund claim shall make an application in Form W before the Assessing Authority having jurisdiction over the Assessee.

(b) The claim for refund will be scrutinized by the Assessing Authority and sanction order will be issued by the Head of the Division having jurisdiction over the Assessee.

(c) If the Assessing Authority requires the applicant to provide records and accounts to substantiate the refund claim but the applicant fails to produce the same to the satisfaction of the Assessing Authority within 7 days, the time limit for making the refund shall not apply.

4. Responsibility of the Authority in making refund

After scrutinizing the application in Form W and after calling for and examining the records of the Assessee it is the responsibility of the Assessing Authority to communicate in writing, if the dealers claim for refund has been fully or partly rejected, the reasons for doing so.

5. Dealers Rights in case of late refunds

If refunds are not made within the stipulated time, the dealers are entitled to an interest at the rate of 1 per cent per month on the amount of refund for the period of delay.

6. Grievance Redressal Mechanism

(i) Where the dealer's application for refund has been rejected by the Assessing Authority, the dealer can prefer an Appeal Petition before the Appellate Assistant Commissioner (CT) within a period of 30 days from the date from which the rejection order was served on him, and the same will be disposed off.

(ii) However, if the dealer experiences other difficulties in Registration, he can make use of the following elaborate Grievance Redressal Mechanism which has been designed to address Citizen's Grievances.

(a) The aggrieved dealer is requested to kindly send his complaint/grievance with all the requisite details to the Public Relation Officer / Commercial Tax Officer (HQ) at the address mentioned below. If the contents of the complaint/grievance are genuine, this Department assures that the same would be redressed within fifteen days from the date of receipt of the complaint by the Public Relation Officer / Commercial Tax Officer (HQ). Even if the complaint is not genuine, he would be entitled for a reply within a above period from the Public Relation Officer / Commercial Tax Officer (HQ). It is also hereby assured that whenever the dealer has requested to maintain confidentiality, the same would be strictly maintained, if the situation permits it.

(b) If the complaint/grievance is not redressed within a period of fifteen days, the aggrieved dealer is requested to kindly forward a copy of his complaint to the Deputy Commissioner (CT) mentioning the fact that he had already preferred a complaint before the Public Relation Officer but his grievance has remained unaddressed. This Department assures that his grievance if genuine, would be redressed within fifteen days from the date of receipt of the complaint by the Deputy Commissioner (CT). He would also be entitled to know why his complaint was not looked into and grievance redressed within the first fifteen days itself.

(c) If the grievance remains unaddressed even at this stage, the dealer can make a complaint along with necessary details and particulars to the Commissioner (CT) stating that his grievances remain unaddressed even after the expiry of one month. If the grievances are genuine, it would be rectified within a period of one week from the date of receipt of the complaint by the Commissioner (CT).

The addresses for preferring complaints and grievances are given below:-

The Commercial Tax Officer(Headquarters)-cum-
Public Relation Officer,
CT Complex, 100 Feet Road,
Ellaipillaichavady, Puducherry - 605 005.
Phone No: 0413-2203422, 2203055



The Deputy Commissioner (CT),
CT Complex, 100 Feet Road,
Ellaipillaichavady, Puducherry - 605 005.
Phone No: 0413-2203422, 2203055



The Commissioner (CT),
CT Complex, 100 Feet Road,
Ellaipillaichavady, Puducherry - 605 005.
Phone No: 0413-2203422, 2203055

(F) Advance Ruling Authority

An authority for clarifications and advance rulings has been provided under VAT to which a dealer can refer any of his doubts concerning VAT on Payment of a fee of Rs.1,000/-. The order of the authority will be binding on the person who has preferred the application for clarification of doubts and on all the officers except the commissioner.

2. Assurances of the Department

Though the law does not provide any time limit for the Advance Ruling Authority to provide its clarifications, this Department assures that it will sincerely endeavor towards offering clarifications within a period of two months from the date of receipt of the application by the Advance Ruling Authority.

(G) Provision of acknowledgments

(i) It is the right of the dealers that whenever they make cash payments, they are entitled to getting proper receipts as due acknowledgments for the payment of tax made.

(ii) Similarly, it is the right of the dealers that whenever they submit monetary instruments like cheques / Demand Drafts towards the payment of tax or penalty due, they are entitled for due acknowledgments.

(iii) This Department assures that acknowledgments would be provided immediately once the cash payments are made or the monetary instruments are submitted.

Grievance Redressal Mechanism

An institutional mechanism for sorting out the problems faced by dealers in getting acknowledgments while making cash payments or submitting cheques / Demand Drafts has been created. The dealers are hereby requested, whenever they encounter problems mentioned above, to contact their respective Assessing Officer and inform him/her about their problem and prefer a complaint in writing. This Department assures that the problem, if genuine, would be redressed within two

days from the day the dealer makes information in writing to the concerned Assessing Officer. If the dealers' grievance is not addressed within a period of 2 days, the dealer is requested to inform in writing to the PRO/CTO (HQ), Commercial Taxes Department about the grievance and this Department assures to redress it within a maximum period of 3 days.

(H) Provision of Assessment / Audit Orders

1. Assessment under VAT

Detailed Assessments may be taken under the Puducherry Value Added Tax Act, 2007 under the following circumstances

- (i) If the Assessing Authority is not satisfied with the correctness and completeness of the returns filed by the dealers
- (ii) If a dealer fails to file returns
- (iii) The Commissioner believes that there is reasonable ground for making an assessment

2. Procedure for Assessment under VAT

Normally, the dealer would be intimated in advance about the conduct of the Assessment / Audit, and it would be done by the Assessing Officer along with the other Officers in the division; and in most cases, the audit will be conducted in the premises of the dealers. The dealers' books of accounts, system of account maintenance, billing systems, stock position, etc., may be verified and examined and on completion of the Assessment, a notice of assessment shall be served on the dealer.

3. Assurances made by the Department

This Department assures that assessment orders will be served on the dealers within 3 days from the date of completion of the audit.

(I) Information provision services

(a) This Department has developed a user friendly and thoroughly informative website which has been designed specifically to enlighten the tax payer and ensure voluntary compliance. This website is regularly updated and all the notifications issued under the PVAT Act, 2007 are published in the website. The website of this Department is <http://gst.puducherry.gov.in>.

(b) This Department provides information in leaflets and brochures to the dealers as well as general public to create awareness on various aspects of tax administration.

(J) Issue of Clearance Certificates

This Department assures to issue sales tax clearance certificate for the purpose of producing the same before other Government Departments either within the State or outside the State within 5 days from the date of receipt of an application for granting clearance certificate provided the application is in order.

2. Grievance Redressal System

Any dealer who is encountering difficulties in getting sales tax clearance certificate even after a period of 5 days from the date of making an application to the concerned Assessing Authority may submit a complaint regarding his grievance to the Dy. Commissioner (CT). This Department assures that the dealers' grievance, if genuine, would be redressed within 5 days from the date of taking the complaint.

(K) Statutory Mechanism for Appeal and Revision

Mainly grievances from the perspective of the tax payer arises, in the context of administration and implementation of tax Legislation, when they are aggrieved by the order passed under various sections of the Legislation by the prescribed Authorities. In these situations, the redressal of grievance is elaborately spelt out in the Legislation itself.

The system of grievance redressal spelt out by the Legislation is as follows:-

a. First Appeal

- i. Any dealer aggrieved by the order passed by the Assessing Authority can file an appeal to the Appellate Assistant Commissioner (CT) within 30 days from the date on which the order was served on him.
- ii. The appeal petition shall be in the prescribed Form - X in duplicate. It should be accompanied by two copies of the final assessment order one of which shall be either original or a certified copy and the other, an attested copy.
- iii. The appellant shall pay the tax admitted by him and also twelve and half percent of the difference of the tax assessed by the assessing authority and admitted by him before filing the appeal.
- iv. The Appellate Assistant Commissioner may, after giving the appellant a reasonable opportunity of being heard, confirm, reduce, enhance, annul, set aside, direct to make a fresh assessment or pass such orders as he may think fit if the appeal is against an order of assessment, or in the case of any other order, confirm, cancel or vary such order.

b. Second Appeal

- i. Any person objecting to the order passed by the Appellate Assistant Commissioner (CT) may file an appeal before the Sales Tax Appellate Tribunal in Form Z within 60 days from the date of receipt of order from the Appellate Assistant Commissioner.
- ii. The appeal petition should be in quadruplicate and each of which should be accompanied by a copy of order appealed against (at least one of which should be in original or certified copy).
- iii. The appeal should be accompanied by a proof of payment of tax admitted by the appellant and 25 percent of the difference of the

tax as ordered by the Appellate Assistant Commissioner and the tax admitted by the appellant.

- iv. The application shall be accompanied by a fee of Rs.100/-.
- v. The Appellate tribunal may, after giving the appellant a reasonable opportunity of being heard, confirm, reduce, enhance, annul, set aside, direct to make a fresh assessment or pass such orders as it may think fit if the appeal is against an order of assessment, or in the case of any other order, confirm, cancel or vary such order. Moreover in the hearing of any appeal against the order of the Appellate Assistant Commissioner the assessing authority shall have the right to be heard either in person or by a representative.

c. Revision in the High Court

Any person objecting to the order passed by the STAT can file a revision petition in the High Court of Madras on the ground that the Appellate Tribunal has either decided erroneously or failed to decide any question of law within 60 days from the date on which the copy of the order of the Tribunal was served on the appellant.

d. Revision Petition to the Commissioner (CT)

- i. In cases where no appeal has been provided to the Appellate Assistant Commissioner for orders passed or proceedings recorded under this Act, any aggrieved person may file a petition of Revision in Form Y to the Commissioner (CT) within 30 days from the date of which the copy of the order or proceedings was served on him.
- ii. The Commissioner(CT), after giving the applicant and the authority against whose order the application has been preferred, a reasonable opportunity of being heard, may call for and examine the proceedings and records and make or cause such enquiries to be made and pass such orders as he thinks fit.

e. Suo-moto Powers of Revision:

The Secretary in charge of Commercial Taxes Department is vested with the powers of suo moto revision of Orders passed by the lower authorities.

f. Appeal to the High court:

Any Person objecting to an order passed by the Commissioner or the Secretary, may, within a period of sixty days from the date of which order was served, appeal against such order to the High Court of Madras.

(L) Assurance to give effect to the orders of various Appellate Authorities

This Department assures that orders by the Appellate / Revisional Authority would be given effect by the concerned Assessing Authority / Registering Authority / other Authorities within a period of 45 days from the date of receipt of the Appellate / Revision order by the Assessing Authority.

2. Grievance Redressal System

When any Assessing Authority / Registering Authority / other Authorities failed to give effect to an order of the Appellate / Revision Authority within 45 days from the date of receipt of the order, the aggrieved dealer may submit a complaint regarding his grievance to the DC (CT). This Department assures that the matter would be given top priority and the order would be given effect within a period of 15 days from the date of receipt of the complaint.

6. Citizens and Tax Payers Responsibilities

(a) Citizens responsibility to insist for sale bills

It is the responsibility of every conscientious citizen to insist for a proper sale invoice whenever he makes a purchase. Proper invoicing greatly helps in curbing evasion of tax.

(b) Citizens responsibility to inform about tax evasion

This Department expects from every citizen, whenever he comes to know that a particular dealer is evading tax or is suspicious of a dealer's transaction, to inform this Department about the same. This Department fully assures that absolute confidentiality will be maintained in all circumstances. Any information regarding possible evasion of tax by a dealer may be communicated by person or in writing to the following designated Authority. If the dealers' complaint is genuine, the case would be systematically investigated and the person making the complaint would be duly intimated about the course of action initiated within one month from the date of receipt of the complaint by the Department.

Commercial Tax Officer (IW),
Third Floor,
Commercial Taxes Department,
Ellaipillaichavady, Puducherry 605 005.
Ph.No.0413-2203055 (**Ext. 23**)

If the person making the complaint fails to receive any communication within one month, he may prefer another complaint to the following Authority; and he would be entitled to receive a reply about the course of action initiated within fifteen days from the date of making the complaint.

Assistant Commissioner (Audit & Intelligence)
First Floor,
Commercial Taxes Department,
Ellaipillaichavady, Puducherry 605 005
Ph.No.0413-2206055

(c) Citizens responsibility to offer constructive and productive suggestions

This Department expects from every citizen to offer protective and constructive suggestions to improve the quality of services by removing deficiencies in the service delivery system. Suggestions can be communicated to the address mentioned below:-

Public Relations Officer/Commercial Tax Officer (HQ),
Office of the Commissioner (CT),
Commercial Taxes Department,
Ellaipillaichavady, Puducherry 605 005.

(d) Dealers responsibility to file returns and pay taxes

This Department expects from all dealers to file the statutory returns and pay the taxes due within the time prescribed; and to be fair, transparent, prompt, honest in complying with all the provisions of the tax legislation.

(e) Dealers responsibility to display the registration certificate

It is expected from every registered dealers and it is also mandated by the Puducherry Value Added Tax Act, 2007 that the registration certificate or it's duplicate is conspicuously displayed at the place of business

(f) Dealers responsibility to maintain proper records

All registered dealers should maintain proper record of their stocks, deliveries, purchases and sales. The records shall be preserved by them atleast for a period of five years from the end of the year to which the account relates.

(g) Dealers responsibilities during audit proceedings, investigation proceedings, shop inspections and lorry checks

This Department expects from every dealer to sincerely cooperate to the officials of this Department during the conduct of audit proceedings, investigation proceedings, shop inspections and lorry checks.

(h) Dealers responsibility to respond to summons

This Department expects from every dealer / person to promptly respond to the summons issued by the authorities constituted under this Act and to produce documents whenever required.

(i) Other responsibilities of the dealers / persons

This Department expects from every dealer / citizens to interact courteously with the officials of this Department; and not to make any complaint against any officer or employee with malicious intent.

7. Conclusion:

This charter makes only a perfunctory though sincere attempt to outline the basic activities of this department, the various provisions of the Act that it implements and of the connected services rendered by it. It is neither exhaustive nor comprehensive, and many a doubt and clarification may not be addressed by it though all the basic doubts can be adequately clarified by utilizing it. The dealer is invited to utilize the departmental Website (<http://gst.puducherry.gov.in>) to get more information on the various aspects of VAT and related subjects.