

GOVERNMENT OF PUDUCHERRY
COMMERCIAL TAXES DEPARTMENT

PRESS RELEASE

GST has been implemented across the Country with effect from 01st July, 2017. In GST, those dealers whose All India aggregate turnover is more than Rs.20 lakhs per annum should get themselves registered. There is no compulsion for the dealers whose turnover is less than Rs.20 lakhs to get registered. However, they can obtain registration under GST at their discretion even if their turnover is less than 20 lakhs. **All the dealers, immaterial of their turnover are eligible for full ITC on the purchase/receipt of goods or services used in the course of furtherance of business.**

Further for small dealers whose turnover is upto Rs.75 lakhs per annum, there is a beneficial and simple composition scheme, whereby they can pay tax at lower rates i.e 5% for restaurants, 2% for manufacturers, 1% for other dealers and file returns quarterly and even make purchases from other States. However, ITC is not eligible for composition dealers since they are paying tax at lower rates.

Under GST, the prices of most of the consumer goods, electrical and electronic goods and vehicles got reduced. But, the Public has a perception that the levy of GST has increased the price of the goods and services. Under the GST regime the tax paid on most of the goods will be lesser or equal to the tax paid on such goods in the pre-GST regime.

The levy of tax under GST on the goods from the point of manufacture till it reaches the consumer will be comparatively lower than erstwhile tax. For e.g, it is evident that the prices of two wheelers and four wheelers have considerably reduced. Likewise, the prices of toothpaste, soap, detergent powder, plastic items, electronic and electrical goods have also come down.

To illustrate, in the pre-GST regime, if the value of biscuit is Rs.100, excise duty Rs.6/- (@ 6%) was levied and the cost of the biscuit becomes Rs.106/-. On Rs.106/-, VAT @ 14.50% was levied. The consumer was buying the biscuit at a final price of Rs.121.37/-. Under GST, the same biscuit's value is Rs.100, GST Rs.18 (@18%) will be levied and the final price of the biscuit will be Rs.118/-, which means the final price of the biscuit has come down by Rs.3.37.

Likewise, prices of many commodities would come down, for which the manufacturers and dealers shall adjust the price accordingly and display the new price by affixing a sticker without hiding the old MRP rate. The General Public and the Consumers need not believe in the false rumors being spread in the social media. Further, the traders and consumers are requested to contact the Commercial Taxes Department, Puducherry if they have any queries regarding GST and the tax rates.

E. N. Srinivas
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COMMISSIONER (CT)

Place : Puducherry.
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