

U.T. Administration of Dadra & Nagar Haveli
Secretariat, Silvassa

ORDER

No. DNH/VAT/2005/05-06/31

Dated : 21-04-2005.

In exercise of the powers conferred under sub-section (6) of Section 6 of the Dadra & Nagar Haveli Value Added Tax Regulation, 2005, the Administrator of Dadra & Nagar Haveli is hereby pleased to frame the Dadra & Nagar Haveli Value Added Tax Exemption-cum-Deemed Credit Scheme, 2005 as follows, namely :-

1. Short title, application and commencement – (1) This Scheme may be called the Dadra & Nagar Haveli Value Added Tax Exemption-cum-Deemed Credit Scheme, 2005 (hereinafter referred to as “ the scheme”).

(2) It shall apply to the industrial units to whom the exemption from payment of sales tax was given under the repealed Dadra & Nagar Haveli Sales Tax Regulation, 1978 (hereinafter referred to as “the repealed regulation”) in the Union Territory of Dadra & Nagar Haveli.

(3) It shall be deemed to have come into force with effect from 1st April 2005.

2. Definitions – In this Scheme, unless the context otherwise requires, -

(a) “balance un-expired period” means, -

(i) the balance of the unexpired period of 15 years for small scale, medium scale or large scale industry which were enjoying the benefit of 15 years local sales tax exemption specified under Notification No.ADM/LAW/ST/84 dated 4th January 1984 appended to the repealed regulation as it stood immediately prior to date of coming into force of the Notification No.DNH/ST/4-1/99/1 dated 31st December, 1999.

and

ii) the balance of the unexpired period of 15 years for small scale, medium scale and large scale industry, which were enjoying the benefit of local sales tax exemption under Notification No.DNH/ST/4-1/99/2 dated 31st December 1999.

(b) “eligible unit” shall mean and include the industrial unit in Small Scale, Medium Scale and Large Scale sectors which were entitled to the benefit of local sales tax exemption under Notification No.DNH/ST/4-1/99/2 dated 31st December 1999 as amended vide Notification No. DNH/ST/4-1/99/5 dated 15th March 2000 issued under the repealed regulation read with Notification No.ADM/LAW/ST/84 dated 4th January 1984 appended to the repealed regulation as it stood immediately prior to date of coming into force of the Notification No.DNH/ST/4-1/99/2 dated 31st December 1999.

and

such unit has not violated any of the conditions referred to in the Notification No.DNH/CST/2001-02/01 dated October 15, 2001.

(c) “implementing agency” means the Department of Value Added Tax / Sales Tax.

3. All eligible units shall be entitled to exemption from payment of tax under the Dadra & Nagar Haveli Value Added Tax Regulation, 2005 on sale of goods manufactured, processed or assembled in the Union Territory of Dadra & Nagar Haveli for the balance unexpired period subject to such restrictions and conditions specified in this Notification.

4. The eligible dealer shall incorporate the following declaration in the tax invoice issued by him in respect of the sale, namely :-

“ I / We hereby declare that sale of goods evidenced by this invoice in exempt from payment of Value Added Tax in my / our hands on account of exemption duly granted to me / us and as such, my / our immediate purchaser shall not be entitled to claim any input tax credit in respect of this transaction under any provision of the Dadra & Nagar Haveli Value Added Tax Regulation, 2005 or the rules made thereunder and that the transaction shall be accounted for in the turnover of sales while filing my / our return”.

5. A registered dealer may, in respect of any resale of goods made after 1st April 2005 of goods originally manufactured whether before or after 1st April 2005 by an unit under the exemption for the purpose of levy

of tax deduct from the sale price of the resale of such goods an amount calculated in accordance with the following formulae :-

- (a) where the goods are purchased by the claimant dealer whether before or after 1st April 2005 and tax is not recovered separately from the claimant dealer in his purchase invoice.

Amount of deduction = Amount of purchase price including the price of goods used in packing if the packaging is charged separately.

- (b) where the goods are purchased by the claimant dealer after 1st April 2005 from a registered dealer who has separately recovered tax from the claimant dealer.

Amount of deduction = $P - (T \times 100 / R)$

Where P is the aggregate of the purchase price of the goods, and of the goods used for packing of the said goods. T is the amount of tax recovered separately from the claimant dealer in respect of the purchase of the goods and R is the rate of tax generally applicable to the sale of such goods.

- (c) A registered dealer in respect of the resale effected by him on or after 1st April 2005 of goods originally manufactured by an eligible unit and which are held by him in opening stock on 1st April 2005 may reduce from the sale price his purchase price if the said goods are supported by a bill or cash memorandum as provided under repealed regulation, as it stood immediately before 1st April 2005.

6. When a registered dealer, other than an eligible unit, uses the goods purchased from an eligible unit for manufacturing, processing and assembling of other goods or sells such goods in a modified form, he shall be liable to pay tax as per the provisions of the Dadra & Nagar Haveli Value Added Tax Regulation, 2005 on the sale price of the goods so sold.

7. An eligible unit shall not effect changes in class of goods being manufactured as stated in the Certificate of Registration issued under the repealed Regulation as on April 30, 2000. In case any industry effects any changes in classes of goods being manufactured for sale, then sale of such additional goods or classes of goods shall not be eligible for exemption and shall be taxed at the rate applicable under the Dadra & Nagar Haveli Value Added Tax Regulation, 2005.

8. The eligible unit shall abide by the direction issued by the UT Administration of Dadra & Nagar Haveli from time to time.

9. Violation of any of the provisions of this notification or the notifications referred in Para 2(b) above by an eligible unit shall entail withdrawal of Value Added Tax exemption to such unit and attract action as provided under the Dadra & Nagar Haveli Value Added Tax Regulation, 2005.

10. Procedure for availing benefit of the Scheme :

The eligible unit shall make an application to the Commissioner of Value Added Tax in the form appended hereto by 30th June 2005, enclosing therewith copies of the following documents:-

- (i) the Certificate of Registration under the repealed Regulation (i.e. Dadra & Nagar Haveli Sales Tax Regulation, 1978);

(ii) last assessment order;

On receipt of the application, the Commissioner of Value Added Tax will scrutinize the application and issue eligibility certificate. Based on the eligibility certificate, the eligible unit will be entitled to claim exemption.

**APPLICATION FORM FOR EXERCISING OPTION UNDER
 "THE DADRA & NAGAR HAVELI VALUE ADDED TAX
 EXEMPTION-CUM-DEEMED CREDIT SCHEME, 2005"
 AND FOR THE ISSUE OF ELIGIBILITY CERTIFICATE**

To,
 The Commissioner Value Added Tax,
 Dadra & Nagar Haveli.

Sir,

In accordance with "The Dadra & Nagar Haveli Value Added Tax Exemption-cum-Deemed Credit Scheme, 2005" notified by the Government under Notification No. _____ dated _____, I _____ (Proprietor/Partner/Managing Director), on behalf of the industrial unit _____, hereby apply for grant of eligibility certificate for availing the benefit under the Scheme.

(2) a) Name (in capital) _____
 (surname) (middle) (first)

Address of unit _____

Name & address of proprietor/ partner/ director

Sr. No.	Name	Address	Phone No.

b) Sales Tax Regulation under Dadra & Nagar Haveli Sales Tax Regulation, 1978.

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c) Permanent SSI Registration No.

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Issued by District Industry Centre /
 Acknowledgement issued by Secretariat for
 Industrial Assistance, Ministry of Industry,
 New Delhi.

d) Date of Commencement of Commercial production.

DD		MM		YY			

e) Date of First Sale, Branch Transfer or Consignment Transfer as the case may be

DD		MM		YY			

f) Date of completion of Exemption as per the regulation

DD		MM		YY			

g) Description of goods manufactured/ processed/ assembled :-

Certified that the statement made hereinabove are true as per information derived from me/ our record which I believe to be correct.

It is agreed and understood by me/ us that the "Dadra & Nagar Haveli Value Added Tax Exemption-cum-Deemed Credit Scheme, 2005", has been gone through by me/ us and I/ we shall abide by the provisions of the law.

Yours faithfully,

Signature of the applicant
(Name in block letters) _____
(Status) Prop./ Chairman/MD/Partner)