

**UT Administration of
Dadra and Nagar Haveli
Value Added Tax Department
1st floor, Udhyog Bhavan, 66KV Road,
Silvassa-396230**

No.ADM/DC (VAT)/Export/2015

Dated: ~~1/2016~~
28/12/2015

**Subject:- Applicability of H-Form in such local purchases which satisfies conditions laid-
Down under Section 5 (3) of the CST Act, 1956.**

CIRCULAR


Lot of representations have been received for extension of facility of H-Form in such Local purchases preceding the sale or purchase occasioning the export of those goods out of Territory of India. The matter was got examined with reference to Section 7 of the Dadra and Nagar Haveli Value Added Tax Regulation, 2005 as well as Section 5 (3) of the Central Sales Tax, 1956. The matter was also examined with reference to Judgment of Hon'ble Supreme Court of India in the case of Consolidate Coffee Ltd with respect to Section 5(3) deemed export. The Hon'ble Apex Court ruled as under;

"Section 5(3) has been enacted to extend the exemption from tax liability under the Act not to any kind of penultimate sale but only to such penultimate sale that satisfies the two conditions specified thereon; namely (a) that such penultimate sale must take place (i.e. becomes complete) after the agreement or order under which the goods are to be exported and (b) it must be for the purpose of complying with such agreement or order and it is only then that such penultimate sale is deemed to be a sale in the course of export"

In order to give effect to the Section 7 of the Dadra and Nagar Haveli (read with Section 5(3) of the Central Sales Tax Act) and to obviate the hardships being faced by exporters, it has been decided to extend the applicability of H-Form in such Local purchases which satisfy the conditions laid down under Section 5(3) of CST and reproduced hereunder;

- a) That such penultimate sale must take place (i.e. becomes complete) after the agreement or order under which the goods are to be exported and;
- b) It must be for the purpose of complying with such agreement order.

This is issued with the approval of the Hon'ble Administrator, Dadra and Nagar Haveli & Daman & Diu dated 26/11/2015.


(Kishor Kumar Bhalla)
Deputy Commissioner (VAT)
Dadra and Nagar Haveli
Silvassa

Copy forward to the Commissioner (VAT), Daman & Diu for issuance of similar circular