

Value Added Tax Act, 2003

Section 20 - Deduction of Input Tax on Exports and Interstate Sales, Etc.

(1) Tax paid under this Act by any dealer on purchase of inputs in respect of,-

- (a) any goods sold in the course of export out of the territory of India, or
- (b) any goods taxable under the Act, sold in the course of interstate trade or commerce, or
- (c) any goods sold to a dealer who is a unit located in any special economic zone established under authorisation by the authorities specified by the Central Government in this behalf, or
- (d) any goods sold to a dealer who is an Export Oriented Unit,

shall be deducted as provided under Section 10, from output tax payable by such dealer.

(2) Goods sold by a registered dealer to any other registered dealer who is a unit located in any special economic zone established under authorisation by the authorities specified by the Central Government in this behalf or who is an Export Oriented Unit, shall be exempt from the tax payable under this Act.

Explanation 1.- For the purposes of this section, the expression "special economic zone" has the meaning assigned to it in clause (iii) to Explanation 2 to the proviso to section 3 of the Central Excise Act, 1944 (Central Act 1 of 1944).

Explanation 2.- For the purpose of this section, "Export Oriented Unit" means a unit certified as such by the Central Government.
