**BEFORE THE CHAIRMAN, ODISHA SALES TAX TRIBUNAL: KATAKA**

**S.A. No. 30 (CST) of 2019**
**&**
**S.A. No. 29 (CST) of 2019**

(Arising out of orders of the learned Addl. Commissioner of Sales Tax (Appeal), Central Zone, Odisha, Cuttack in Appeal Nos. AA-107101610000159/16-17 & AA-107101810000021/17-18, disposed of on 11.02.2019)

Present: **Shri G. Sharma, Chairman**

M/s. Narbheram Power & Steel Pvt. Ltd.,
Industrial Estate, Gundichapada,
Dhenkanal ... Appellant

-Versus-

State of Odisha, represented by the
Commissioner of Sales Tax, Odisha,
Kataka ... Respondent

For the Appellant : Mr. P.K. Jena, Advocate
For the Respondent : Mr. N.K. Rout, Addl. S.C. (CT)

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Date of hearing : 28.09.2026 *** Date of order : 16.10.2026

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**O R D E R**

Challenging the legality and propriety of orders dated 11.02.2019 passed by the Addl. Commissioner of Sales Tax (Appeal), Central Zone, Odisha, Cuttack (hereinafter referred to as 'First Appellate Authority') in Appeal Nos. AA-107101810000021/17-18 & AA-107101610000159/16-17, this appeal has been filed by M/s. Narbheram Power & Steel Pvt. Ltd. (hereinafter referred to as 'Dealer').

Since the appeals involve similar question of facts and law, this common order shall govern both these appeals.

2. The brief facts relevant for disposal of these appeals run thus–

The Dealer is engaged in the manufacturing and sale of sponge iron, M.S. ingot and M.S. billet. Basing on the Audit Visit Report (in short, 'AVR'), the Joint Commissioner of Sales Tax, Angul Range, Angul (hereinafter referred to as 'Assessing Authority') initiated assessment proceedings U/r.12(3) Central Sales Tax (Odisha) Rules, 1957 (in short, 'CST(O) Rules') for the periods 01.04.2012 to 31.03.2014 and 01.04.2014 to 30.09.2015. Since the Dealer failed to produce wanting 'C' forms for ₹2,41,89,755.00 for the period 01.04.2012 to 31.03.2014; and for the period 01.04.2014 to 30.09.2015 amounting to ₹2,61,85,302.00, the Assessing Authority computed the tax liabilities of the Dealer at ₹7,25,693.00 for the period 01.04.2012 to 31.03.2014 and ₹10,01,325.00 01.04.2014 to 30.09.2015 towards tax and interest in assessment. Being aggrieved with the orders of assessment, the Dealer preferred first appeals before the learned First Appellate Authority. The First Appellate Authority considering some 'C' forms furnished for the impugned tax periods, reduced the demands to ₹4,52,708.00 for the period 01.04.2012 to 31.03.2014 and ₹8,45,196.00 for the period 01.04.2014 to 30.09.2015, hence these appeals.

3. In course of hearing, the learned Counsel for the Dealer submitted that the Dealer failed to collect and submit the wanting 'C' forms before the forums below in spite of sincere efforts, but the fora below without granting adequate opportunity held the Dealer liable to pay tax and also interest, which is bad in law. He further submitted that the e-generated 'C' declaration form dtd.13.08.2015 includes an amount of ₹47,05,219.00 relating to the quarter ending 3/2014 for sale of sponge iron and fines by the Dealer in the transactions relating to quarter ending June, 2014, but the First Appellate Authority did not allow such credit in view of the provision of Rule 12(1)(R&T) Rules, which is untenable in law. He argued that computation of interest for the periods under assessment on the Dealer is arbitrary and bad in law. Accordingly, he pleaded for interference in appeal.

4. Per contra, learned Addl. Standing Counsel (CT) appearing for the State submitted that sufficient opportunity was granted for submission of declarations in form 'C', but the Dealer failed to furnish the wanting forms, for which the First Appellate Authority has rightly assessed the Dealer by computing tax along with interest as per settled law. He urged that the purchaser had not issued the declaration forms in conformity with the inter-State sales effected by the Dealer and reported in the returns for the period 01.04.2012 to 31.03.2014, therefore rejection of the claim on this score warrants no interference.

5. Admittedly, in the present case, the Dealer could not be able to produce the required declarations in Form 'C' for the claim of inter-State sales at concessional rates for the periods under assessment before the Assessing Authority as well as First Appellate Authority in spite of due opportunity. As a result, the authorities below have rightly levied tax along with interest for non-submission of statutory forms.

As regards the claim of inter-State sale of goods amounting to ₹47,05,219.00 said to have been effected by the Dealer in the Month of March, 2014, which was included in the transactions relating to the quarter ending June, 2014, on perusal of the 'C' form bearing No.27081510983905 dtd.13.08.2015 issued by M/s.MSM Steel Pvt. Ltd. made available in the appeal record, it transpires from the annexure attached to the 'C' form showing the transaction details in relation to the form 'C' for an amount of ₹3,20,74,189.00 were found to have been effected from 01.04.2014 to 13.06.2014. From LCR it is found that the Dealer had filed a statement showing invoice number, date and bill amount relating to the transactions for the quarter ending March, 2014. On cross verification of the same with reference to the 'C' form No.27081510983905, it is found that the invoice numbers and bill amounts for an amount of ₹47,05,219.00 found place in the said 'C' form, but the dates do not match. When the Dealer is claiming that

the sales made during March, 2014 were shown by the purchasing dealer as sales during April, 2014, it is the onerous duty of the Assessing Authority to cross check the same with reference to the invoices and books of account, but without doing so, the assessing authority mechanically rejected the same, which was confirmed by the First Appellate Authority for which it warrants interference. Therefore, this forum feels it proper to set aside the impugned orders to that extent and remand the matter back to the Assessing Authority to examine the alleged transactions of March, 2014 with reference to the invoices and books of account and if the claim of the Dealer is found to be correct, the Assessing Authority shall return the disputed 'C' form for due rectification. However, it is made clear that if the claim of the Dealer is found to be incorrect on examination by the Assessing Authority on remand, the impugned orders shall stand confirmed.

Regarding levy of interest, it is settled law that the assessee is liable to pay interest on unpaid amount of tax and such liability arises automatically by operation of law. Therefore, this forum is of the considered view that there remains no room to interfere with the impugned orders in so far as levy of interest is concerned.

6. The appeals are disposed of accordingly.

**Dictated & Corrected by me**

Sd/-
**(G. Sharma)**
**Chairman**

Sd/-
**(G. Sharma)**
**Chairman**