BEFORE THE CHAIRMAN, ODISHA SALES TAX TRIBUNAL: KATAKA

S.A.No.6(C) of 2024

(Arising out of order of the learned Joint Commissioner of Sales Tax (Appeal), CT & GST Territorial Range, Bhubaneswar, in Appeal No. AA-384/CST/BH-II/2019-20, disposed of on 02.12.2023)

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

M/s. Tribal Co-operative Marketing
Development Federation of India Ltd.,
NCDC premises (Ground Floor),
Alok Bharati Tower,
Saheed Nagar, Bhubaneswar,
Dist. Khordha … Appellant

-Versus-

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

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

Date of hearing: 10.08.2026 *** Date of order: 07.09.2026

ORDER

Challenging the legality and propriety of order dated 02.12.2023 passed by the Joint Commissioner of Sales Tax (Appeal), CT & GST Territorial Range, Bhubaneswar (hereinafter referred to as 'First Appellate Authority') in Appeal No. AA-384/CST/BH-II/2019-20, this appeal has been filed by M/s. Tribal Co-operative Marketing Development Federation of India Ltd. (hereinafter referred to as 'Dealer').

2. The brief facts relevant for disposal of this appeal run thus–

In the present case, the Dealer is a Central Govt. undertaking and deals in mostly handicraft goods for sale. The Dealer has effected inter-State transfer of goods i.e. handicrafts, decoration pieces/gift items, jewellery and articles made of metals and alloys to its outside branches of the State. On scrutiny of the returns filed by the Dealer, the Sales Tax Officer, Bhubaneswar-II Circle, Bhubaneswar (in short, 'Assessing Authority') initiated provisional assessment against the Dealer U/r.12(1) of the Central Sales Tax (Orissa) Rules, 1957 (hereinafter referred to as, 'CST(O) Rules') for the assessment period 01.04.2014 to 31.03.2015 and found that the Dealer has failed to submit the statutory declarations in Form 'F' towards the claim of branch transfer for an amount of ₹9,86,244/-, accordingly, raised tax demand of ₹2,13,711/- including interest. Being aggrieved with the order of assessment, the Dealer preferred first appeal before the learned First Appellate Authority. The First Appellate Authority on the ground of non-submission of wanting declarations in Form 'F' confirmed the assessment and upheld the demand, hence this appeal.

3. In course of hearing, the learned Counsel in terms of appeal memo submitted that the Dealer made volume of inter-State stock transfer of goods to the tune of ₹56,25,048/- and submitted declarations in Form 'F' to the tune of Rs.49,24,622/-, as such, the Dealer was supposed to submit the balance amount of 'F' form amounting to ₹7,00,426/- as against ₹9,86,244/- determined by the Assessing Authority in the assessment order. Further, he also argued that as handicraft goods are coming under Sl.No.40 of List-A of the OST Rate Chart and exempted from tax, imposition of tax @13.5% as well as interest is illegal and bad in law.

4. Per contra, learned Addl. Standing Counsel (CT) appearing for the State submitted that the 'F' form aggregating ₹2,85,818/- produced for the Quarter ending September, 2014 corresponded to invoices that

were never disclosed in the returns filed for that quarter, and thus, cannot be treated as a valid declaration. Therefore, the fora below have rightly assessed the Dealer by determining the tax @13.5% and imposing interest thereon, which is automatic in nature and as per operation of law. Accordingly, he pleaded that the appeal has no merit and liable to be dismissed.

5. Admittedly, in the present case, the Dealer could not able to produce the wanting declaration in Form 'F' for the claim of branch transfer of handicraft goods before the Assessing Authority as well as First Appellate Authority so also before this forum, for which the fora below have rightly computed the tax liability for the period under assessment.

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 order of the First Appellate Authority in confirming the demand raised in assessment along with interest in absence of statutory declarations.

Hence, it is ordered.

6. In the result, the appeal filed by the Dealer stands dismissed and the order of the First Appellate Authority confirming the assessment order is hereby confirmed.

Dictated & Corrected by me

Sd/-
(G. Sharma)
Chairman

Sd/-
(G. Sharma)
Chairman