

**PROCEEDINGS OF THE ASSISTANT COMMISSIONER (APPEALS)**  
**STATE GOODS AND SERVICES TAX DEPARTMENT, THRISSUR**

**PRESENT: SMT. SHYLA PRIYA .V LL.B**

1.KVAT Appeal Number	: KVATA 295/19
2.Order Date	: 07.02.2020
3. Instituted on	: 15.07.2019
4. From the order of the Tax	: No. 32222550811/13-14 dtd 28.02.2019 of State officer, Chavakkad.
5. Year of assessment	: 2013-14
6. Name of Appellant	: M/s.Furniture Paradise.
7. Turnover Assessed	: 56,96,897/-
8. Section/Rule under which assessment made	: U/s. 25(1) of KVAT Act 2003.
9. Date of hearing	: 21.01.2020
10. Authorized Representative	: Adv. V.R Padmanabhan.

**APPELLATE ORDER AND THE GROUNDS OF DECISION**

M/s. Furniture Paradise filed this appeal against the assessment Order No. 32222550811/13-14 dtd 28.02.2019 of State Tax Officer, Chavakkad which was finalized U/s. 25(1) of KVAT Act 2003.

**The main grounds of appeal submitted are:-**

1. The impugned assessment order of the State Tax Officer, Chavakkad u/s 25 (1) of the Act for the year 2013-14 is opposed to law, facts and circumstances of the case and, therefore, is liable to be set aside.
2. The best judgment assessment is completed without properly considering the reply filed against the pre assessment notice dated 27.02.2019. The cogent explanations submitted by the appellant were rejected on untenable grounds.
3. The best judgment assessment proposed u/s/ 25(1) is solely based on the allegation that the appellant has effected one interstate purchase of furniture during the year 2010-11 from M/s Kawai Crafts vide invoice No 52 dt 05.05.2010 for an amount of Rs 14,400/- as per the check post transaction which is entered in KVATIS. The assessing authority failed to consider that the appellant has not effected any single interstate purchase so far. The appellant has only local purchases and sales and the turnover is below the limit prescribed for presumptive tax paid u/s 6(5) of the Act. As such, the proposal to estimate turnover and assess the same u/s 6(1) is unsustainable.

4. Without prejudice to the above, it is submitted that the assessing authority seriously erred in assessing the entire conceded turnover of Rs. 56,96,897/- @ 14.5%. The appellant is a dealer in furniture as well as mattresses, plastic goods etc. The commodities traded by the appellant include 5%, 14.5% and 0% taxable items. The assessing authority has granted IPT credit of Rs.3,74,873.86 based on the purchase details of the appellant as per KVATIS data. As per the KVATIS, the appellant has effected total purchase of goods worth Rs.56,54,508.36 from local registered dealers paying a total tax of Rs.3,74,873.86. As per this data, purchase amounting to Rs.32,28,984.96 relates to 5% taxable commodities, purchase for Rs.23,81,307.08 relates to 14.5% taxable goods and Rs. 44,188.25 taxable at 0%. The 5% taxable purchases amount to 57.10%, 14.5% taxable purchase comes to 42.11% and 0% taxable purchase comes to 0.78% of the total purchase turnover. The conceded turnover is also inclusive of the sales relating to the above tax rates. As such, the assessment of sales turnover ought to have been at the same ratio of purchase turnover.

When the appeal was posted for hearing Adv. V.R Padmanabhan appeared and heard.

*As against the contention "the assessing authority seriously erred in assessing the entire conceded turnover of Rs. 56,96,897/- @ 14.5%. The appellant is a dealer in furniture as well as mattresses, plastic goods etc. The commodities traded by the appellant include 5%, 14.5% and 0% taxable items. The assessing authority has granted IPT credit of Rs.3,74,873.86 based on the purchase details of the appellant as per KVATIS data. As per the KVATIS, the appellant has effected total purchase of goods worth Rs.56,54,508.36 from local registered dealers paying a total tax of Rs.3,74,873.86. As per this data, purchase amounting to Rs.32,28,984.96 relates to 5% taxable commodities, purchase for Rs.23,81,307.08 relates to 14.5% taxable goods and Rs. 44,188.25 taxable at 0% and Rs 45791/- relates to 13.5% goods.. The 5% taxable purchases amount to 57.10%, 14.5% taxable purchase comes to 42.11% and 0% taxable purchase comes to 0.78% of the total purchase turnover. The conceded turnover is also inclusive of the sales relating to the above tax rates. As such, the assessment of sales turnover ought to have been at the same ratio of purchase turnover."*

I find merit on the appellants contention when the appellant has goods which are liable at different rates of tax, this assessment should also be completed on that basis. Hence it is directed that the assessing authority shall adopt the ratio

KVATA 295/19

of purchase of the commodities tax wise and adopt the same ratio to the Assessed turnover, Modify and Issue orders accordingly.

**Result: Modified**

**ASSISTANT COMMISSIONER (APPEALS )**

**THRISSUR**

To

*The Appellant through the Authorized Representative,  
Copsubmitted1.JointCommissioner(Law),SGSTDept,Thiruvananthapuram,  
2 . Deputy Commissioner ,SGST Dept , Thrissur*

*Copy forwarded to*

- 1. State Tax Officer,Chavakkad.*
- 2. Asst Commissioner ,SGST Dept,Irinjalakuda.*

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