

**PROCEEDINGS OF THE ASSISTANT COMMISSIONER (APPEALS)**  
**STATE GOODS AND SERVICES TAX, KANNUR**  
**Present : Vineth Krishna.U**

*Date of Order: 27.02.2020*

KVATA Appeal order VATA No. : VATA 194/19  
Instituted on : 29.11.2019  
From the orders of the : Order no. 32120774987/2013-14  
dated.14.10.2019 of State Tax Officer,  
1<sup>st</sup> Circle, Thalassery  
Year of assessment : 2013-14  
Name of appellatant : M/s. Steel Craft, Thana Kannur  
Turnover assessed :  
Tax demanded Income Tax/Super Tax/CST/ST : Section 25(1) of the KVAT Act, 2003  
Section /Rule under assessment made  
Date of Hearing : 14.02.2020  
Present for Appellant : Sri. B.G Sasidharan, Sales Tax Practitioner

**APPELLATE ORDER AND GROUNDS OF DECISION**

The appellatant M/s. Steel Craft, Thana Kannur filed appeal against the assessment order of State Tax Officer, 1<sup>st</sup> Circle, Thalassery passed u/s 25(1) of the Act issued vide proceedings dated 14.10.2019 demanding tax Rs.52739/- for the year 2013-14

The assessment for the year was revised on the basis of purchase suppression detected on scrutiny of returns with KVATIS.

When the appeal was posted for hearing Sri. B.G Sasidharan, Sales Tax Practitioner appeared on behalf of the appellatant and was heard. The contentions put forth by the appellatant are as follows.

1. *The order of the Assessing authority is against facts, law and circumstance of the case.*
2. *The assessment of the Appellant for the year 2013-14 was computed u/s. 25(1) of the KVAT Act on the ground of allegation that there is an unaccounted interstate purchase amounting to Rs.787203/- and an unaccounted sale to the tune of Rs.20216/- based on check post transaction and parcel transactions. But no opportunity was afforded to the appellatant so as to verify the veracity of such transactions.*
3. *The Appellant is keeping true and complete accounts for the year 2013-14. All the purchase and sales affected by the Appellant were properly accounted from time to time paying legitimate tax due to Govt.*
4. *As stated above the assessing Authority had not given the details regarding purchases. Without which it is not possible for appellatant to trace out the difference in turnover.*

The appellatant further prayed that the impugned assessment the order may be set aside on the above grounds.

I have considered the contentions raised by the appellant the records before me and the merits in it.

The issue involved in this case is as to the sustainability of assessment made.

The appellant argued that no opportunity was afforded to them to verify the veracity of transactions. They further alleged that the assessing authority has not given the details regarding purchases without which it is not possible for them to trace out the difference in turnover. They further stated that they were keeping true and complete accounts for the year.

The appellant at the time of hearing stated that inter-state purchases was wrongly uploaded by them where as it was actually local purchase which was accounted in July. They produced copy of uploaded purchase list for the month of July 2013. The appellant also produced uploaded purchase list for the month of September to show that inter-state purchase for Rs.636812/- has been accounted.

The assessing authority rejected the argument of the appellant as M/s. Famous Stainless Steel Craft Pvt. Ltd has not accounted the alleged inter-state purchase from M/s. Akash stell Craft Pvt. Ltd. As such their claim of subsequent sale from M/s. Famous Stainless Steel Craft Pvt. Ltd was rejected by the assessing authority. Moreover on verification, it is seen that the appellant has accounted both the purchases. As such the variation in purchase as pointed out by the assessing authority cannot be attributed to the reason adduced by the appellant. The fact that M/s. Famous Stainless Steel has not accounted the transaction makes it clear that there is no relation between those transaction. As such appellant failed in discharging the burden of proof. On the basis of argument made by them it is understood that they had got sufficient notice of the defects alleged against them. As such there is no violation of natural justice also. Hence assessment made in this regard is sustainable and is hence upheld.

No other points for consideration. Ordered accordingly.

**RESULT : DISMISSED**

Assistant Commissioner (Appeals),  
Kannur.

To : The appellant through Advocate

Copy submitted to The Joint Commissioner (Law), CCT, Tvpm.  
The Deputy Commissioner, Kannur

Copy to :

The Law Officer, Commercial Taxes, Kozhikode  
The Inspecting Assistant Commissioner, Kannur  
The State Tax Officer, 1<sup>st</sup> Circle, Thalassery  
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