**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

1- VATAP-15-2021 (O&M)
Date of Decision:07.11.2025

State of Punjab Through the Deputy Commissioner State Tax, Punjab
...Appellant

Vs.

M/s Kamal Enterprises,Anaj Mandi, Samrala, Ludhiana

...Respondent

2- VATAP-16-2021 (O&M)
Date of Decision:07.11.2025

State of Punjab Through the Deputy Commissioner State Tax, Punjab
...Appellant

Vs.

M/s Kamal Enterprises, Anaj Mandi, Samrala, Ludhiana
...Respondent

3- VATAP-17-2021 (O&M)
Date of Decision:07.11.2025

State of Punjab through the Deputy Commissioner State Tax, Punjab
...Appellant

Vs.

M/s Anpurna Traders, Anaj Mandi, Samrala, District Ludhiana

...Respondent

4- VATAP-18-2021 (O&M)
Date of Decision:07.11.2025

State of Punjab through the Deputy Commissioner State Tax, Punjab

...Appellant

Vs.

M/s A.K. Traders, Anaj Mandi, Samrala, District Ludhiana
...Respondent

5- VATAP-19-2021 (O&M)
Date of Decision:07.11.2025

State of Punjab through the Deputy Commissioner State Tax, Punjab

...Appellant

Vs.

M/s A.K. Traders, Anaj Mandi, Samrala, District Ludhiana
...Respondent

6- VATAP-22-2021 (O&M)
Date of Decision:07.11.2025

State of Punjab through the Deputy Commissioner State Tax, Punjab

...Appellant

Vs.

M/s Anpurna Traders, Anaj Mandi, Samrala, District Ludhiana

...Respondent

CORAM: HON'BLE MR. JUSTICE ASHWANI KUMAR MISHRA
HON'BLE MR. JUSTICE ROHIT KAPOOR

Present: Mr. Saurabh Kapoor, Additional Advocate General, Punjab
for the Appellant in all six appeals.

Mr. J.S. Bedi, Advocate
(through video conferencing)
for the Respondent(s).

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ROHIT KAPOOR , J.

1. This judgment and order shall dispose of the present batch of six appeals, as according to the learned counsel for the parties, the issue involved in all the aforementioned appeals, is identical. The appellant-State of Punjab has filed the present appeals under Section 68 of the Punjab Value Added Tax Act, 2005 (for short 'PVAT Act') assailing the common order dated 20.12.2019, passed by the Punjab Value Added Tax, Tribunal (for short 'VAT Tribunal'), whereby the appeals filed by the respondent-assessee(s) have been allowed, and the assessment orders passed by the Designated Officer and orders of the First Appellate Authority, have been set aside. The following substantial questions of law are claimed in all the Appeals :-

> *"i. Whether benefit of consignment sale can be allowed even if the validity of the requisite 'F' Form is denied by the issuing authority?*
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> *ii. Whether the impugned order dated 20.12.2019 is based on presumptions and assumptions of the Ld. VAT Tribunal, Punjab and thus, is liable to be set-aside?*
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> *iii. Whether the Ld. VAT Tribunal has erred in setting aside the assessment order and allowing benefit of consignment sales to the respondent/assessee by disregarding the inter-departmental communications, whereby, it stands confirmed that no statutory 'F' Form was issued by the Sales Tax Department to the dealers to whom consignment sales have been made?*
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> *iv. Whether the Ld. VAT Tribunal, Punjab has erred in disregarding the investigation conducted by the department only on the surmise and conjecture that the same appears to be over-zealous?*

2. The facts are being extracted from VAT Appeal No. 15 of 2021, for the sake of brevity. The respondent-assessee, M/s Kamal Enterprises, Anaj Mandi, Samrala, Ludhiana is a proprietorship firm of one Sh. Vijay Kumar, and the said assessee was registered with the appellant department and was

assigned TIN No. 03781066527. The respondent-assessee has got two sister concerns i.e. M/s Anpurna Traders Anaj Mandi Samrala, having TIN No. 03761130847 and M/s A.K. Traders, Anaj Mandi Samrala, which has been assigned TIN No. 03781099113. Mr. Kamal Kumar, who is the brother of Vijay Kumar is the proprietor of M/s Kamal Enterprises, whereas Mrs. Mamta Rani wife of Vijay Kumar is the proprietor of M/s A.K. Traders. The business activities in all three concerns, which were trading in Karyana, Pulses, Ground Nut etc. are carried out from the same premises, jointly.

3. During the relevant assessment years, the respondent-assessee filed its annual return in form VAT-20 depicting the total sales as Rs.18,00,97,534/-, out of which, an amount of Rs.1,65,10,371/- was shown as consignment sales. It was claimed by the said respondent-assessee that consignment sales were made to registered dealers in Delhi, namely M/s Mahavir Prasad Deepak Kumar, (TIN 07960278722), M/s Shiv Kumar Sai Nath (TIN 07570261719), and M/s Murlidhar Krishan Kumar (TIN 07230270442) and in support of the claim, F forms had been furnished.

4. It transpires that upon enquiry having been initiated by the Office of Mobile Wing, Chandigarh, the Value Added Tax Officer, Ward 28, Veopar Bhawan, New Delhi vide letter No. 1328 dated 24.03.2008 had informed the Appellant that the aforesaid Delhi dealers, had denied having purchased any goods from the Respondent Dealers during the Year 2005-06, 2006-07 and 2007-08. Thus on the basis of the aforesaid information Notice u/s 29 of the Punjab Value Added Tax 2005 was issued to the Respondent (s) for framing assessment u/s 29 (2) of the PVAT Act read with Section 9 (2) of the Central

Sales Tax Act, 1956 (in short *'CST Act'*). Since the alleged "F" Forms issued in case of all the Dealers were of similar face, bearing similar seriatim and having similar signatures of the concerned Value Added Tax Officer, and reflected a uniform *modus operandi*, therefore the genuineness of the said "F" forms was under serious suspicion. In reply to another letter issued by the Appellant Department duly addressed to the Value Added Tax Officer, Delhi, the said department vide Letter No. 1923 dated 08.08.2008, informed that as per office record, the subject "F" forms have not been issued to the above referred Delhi Dealers. A detailed Show Cause Notice u/s 61 of the PVAT Act, was issued to the respondent asking to Show Cause in the matter, on the basis of the reports received from the Office of Value Added Tax Officer, Delhi.

5. That the respondent Dealer during the course of proceedings before the Assessing Officer submitted its written reply taking the plea that in the process of making consignment sales to the Delhi Dealers, an agent of the Respective Delhi dealers used to inspect/examine the goods and take delivery of goods from the premises of the Dealer and dispatch the goods to the destination under his own arrangement. The Assessee further stated that he had no knowledge regarding the genuineness of the "F" Forms received by him from the Delhi Dealers. In the mean-time, in reply to the letter No. 1224 dated 03.09.2008 addressed to the Office of Value Added Tax Officer, New Delhi, the said department vide letter dated 17.09.2008 reiterated that the subject "F" Forms have not been issued to the above referred Delhi Dealers from their Office.

6. The Assessing Officer, vide its order dated 27.11.2008 (Annexure A-5) rejected the claim of the registered dealers claiming sales as “Consignment Sales” by treating the same as Sales within the State of Punjab. Thus, the Assessee was assessed u/s 29 (2) of the PVAT Act read with Section 9 (2) of the CST Act, thereby imposing tax on the aforesaid transaction along with Interest u/s 32 (3) and Penalty u/s 56 & 60 of the PVT Act *ibid.*

7. Aggrieved by the Order passed by the Assessing Officer, the Respondent Assessee, preferred an Appeal u/s 62 of the PVAT Act, which was dismissed by the Deputy Excise & Taxation Commissioner (Appeals) Ludhiana vide order dated 12.08.2013 and against the same, the Respondent Assessee, preferred an Appeal u/s 65 of PVAT Act, before the VAT Tribunal Punjab, which was allowed vide order dated 20.12.2019, by holding that the enquiry conducted and the information supplied vide letter dated 1328 dated 24.03.2008 is based on a farce enquiry conducted behind the back of the Appellant in violation of the Rules of Natural Justice and on the basis of the ‘procured statements’ of the Delhi dealers by usurping the scope of enquiry by the ETO Sh. B.S. Bhatti, who was deputed as visiting Officer, in connivance with the VAT authorities of Delhi, at lower level by hoodwinking the process of law. The letter dated 17.09.2008 pertaining to authenticity of ‘F’ Form, was not found credible by the Tribunal.

8. The reasoning given by the learned VAT Tribunal to hold the enquiry as farce was that the Visiting Officer, who was assigned the job of getting the required information, got the letter dated 20.03.2008 received by one Naresh Kumar on 24.03.2008 and that perusal of the original file indicates

that on the same day i.e. 24.03.2008, three letters were written to the Delhi Dealers who stated that no purchases had been made by them in the years 2005-06 and 2006-07 from M/s Anpurna Traders, M/s A.K. Traders and M/s Kamal Enterprises specifically mentioning their TIN numbers. Learned Tribunal has suspected the exercise carried out by Sh. B.S. Bhatti, ETO, who was appointed as the Visiting Officer by recording a finding that he had not approached the Sales Tax Commissioner but met Naresh Kumar, Ward Inspector on 24.03.2008 and procured the statements of Delhi dealers. Some of the relevant findings recorded by the learned Tribunal in this regard are extracted as under:-

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> *The said officer seems to have acted only on a single track to make a report adverse to the consigners and consignee. The bias is apparent from not only his conduct but from the circumstance of hurry with which a letter No. 1328 dated 24.03.2008 was got prepared **'or'** fabricated under the stamp of VAT Officer of ward 28. From initials, his name appears to be H. Singh. The **extraordinary efficiency** shown in getting the letter No. 1328 dated 24.08.2008 is a glaring factor to show the bias and irregularity of the inquiry. It is not understood as to how the letter No.AETC, MW 711, dated 20.3.2008 sent by ETC, MW, Punjab, Chandigarh addressed to Sales Tax Commissioner, Veopar Bhawan, New Delhi was received by Naresh Kumar on 24.03.2008 and Naresh Kumar alongwith B.S.Bhatti want to Gali Raghunandan, Nia Bazar; contacted three Delhi Firms on 24.03.2008, recorded the statements that the said firms had not made any purchases from three firms of Samrala specifying orally the TIN numbers of Samrala firms. Above all it is **amazing** that on the same day i.e. 24.03.2008 that VAT Officer, Ward 28, Shri H. Singh sent a letter No. 1328, dated 24.03.2008.*
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> xxx xxx xxx
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> *All the steps i.e. acknowledgment of receipt on the letter by one Naresh Kumar; visit to the Raghunandan Gali, Nia Bazar, New Delhi; recording of the statements of proprietors of three firms of Delhi and issue of the letter dated 1328, dated 24.03.2008 happened on the same day with **extra ordinary exceptional efficiency** without any attempt for looking into the relevant record*

of three firms of Delhi pertaining to the sales or consignment sale transactions.

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*Shri B.S. Bhatti, ETO, who was disputed as Visiting Officer **seems** to have usurped the scope of official authority and has been **over zealous** to help the revenue. As mentioned here in above, the 'F' Forms submitted on 22.06.2007 by the applicants were never held to be fake or fabricated and were sought to be falsified only on the basis of the letter dated 24.03.2008 which is based on a **farce enquiry** and on the basis of **procured statements** of the third parties.*

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*The original file of M/s Kamal Enterprises for the year 2005-06 further indicates that a letter had been issued by Shri Jagtar Singh, ETO to the VAT Officer, Delhi again at his personal level for verification of 'F' Forms pertaining to the consignment sales **by registered post** again on 3.9.2008 which is at page/144. This letter seems to have been written at ETO level to confirm if the 'F' Forms submitted by Delhi firms have been issued from their office. The said letter seems to have been received on 16.09.2008. It is **again astonishing** that the VAT Officer, Ward 28, Delhi **again showed his efficiency** by writing a letter and 17.9.2008 stating that **the dealers mentioned in the letter**, had not been issued the 'F' Forms as per office record available. The letter dated 17.9.2008 is again signed by VAT Officer of Ward 28 with initials of H. Singh. The same initial and round stamp of VAT Officer exists on the statements of Delhi dealers which have been discussed hereinabove. A combined reading of letter sent by registered post by ETO, D.O., Ludhiana to the VAT Officer, Ward 28, Delhi shows that the information required was regarding 'F' Forms issued from the office of VAT for year 2005-06. It was received on 16.09.2008 and **within no time** it was responded by giving a reply on 17.09.2008. The reply dated 17.09.2008 given with promptness shows **that these had not been put to the Delhi dealers**.*

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***Even if it is presumed** that the VAT Officer of Ward 28, **H. Singh is very efficient officer** and had shown his efficiency and capability by helping the Visiting Officer Shri B.S.Bhatti in verification of sales transaction by writing a letter on 24.03.2008 within few hours as discussed above and had also checked all the ledgers of the Sales Tax Officer on 17.09.2008 and had written a letter on the same day i.e. 17.09.2008, the Designated Officer and the First Appellate Authority should have made an effort to find out whether the transactions of Samrala firms on consignment basis could be presumed to be sale transactions for the purpose of taxation.*

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> *In view of the above discussion, this Tribunal is of the opinion that the appellant M/s Kamal Enterprises, Samrala was wrongly denied the benefit of consignment sales for the assessment year 2005-06 and the enquiry conducted and the information supplied vide letter dated 1328, dated 24.03.2008 is based on farce enquiry conducted at the back of the appellant in violation of Rules of natural justice on the basis of the procured statements of the Delhi dealers by usurping the scope of enquiry by the ETO, Sh. B.S.Bhatti, who was disputed as Visiting Officer, in connivance of the VAT authority of Delhi, at lower level by hood winking the process of law. The letter No.2160, dated 17.09.2008 pertaining to the authenticity of 'F' Forms is not* ***worthy of credence*** *and is an act of* ***over zealousness*** *of the* ***revenue*** *to prejudice the appellant."*
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> ***(Emphasis supplied by us)***

9. The learned VAT Tribunal while allowing the appeal filed by the respondent-assessee relied upon certain material provided by the appellant like statement of consignment sales of different dates during the period 2005-06, ledgers, account statements, copies of purchase bills and ICC declaration forms etc. After taking such material on record, it has been observed that the said material was made available to the Designated Officer, but the same seems to have been ignored. It was further held that the application of the respondent-assessee to cross-examine was not allowed, causing serious prejudice and the same tantamounts to violation of the rules of natural justice. With the above observations and findings, the order of the Designated Officer and the First Appellate Authority dated 27.11.2008 and 12.08.2013, respectively, were set aside.

10. Since the facts and issues involved in the appeals were similar, the learned VAT Tribunal decided the same by way of a common order dated 20.12.2019, which has been assailed before us in the present batch of appeals.

11. Learned counsel appearing on behalf of the appellant has contended that the order passed by the learned VAT Tribunal suffers from serious legal infirmities and is perverse since the findings contained therein are conjectural and based upon non-application of mind.

12. It is argued that the learned VAT Tribunal has wrongly discarded the letters, pertaining to the veracity of 'F' Forms, which carry a presumption of truth and therefore the finding of the learned VAT Tribunal that the enquiry was a farce, is against the material available on record and are only based upon assumptions.

13. It is further contended that during the proceedings before the Designated Officer, the respondent-assessee(s) had stated that the agents of the respective Delhi dealers had inspected and lifted goods from Samrala and that the respondents were unaware of any irregularity in the 'F' Forms. The Designated Officer after examining the material brought on record, correctly returned the findings that no documentary evidence of physical dispatch or acknowledgment from Delhi were forthcoming. The findings on facts of the Designated Officer and the evidence available on record, were duly examined by the First Appellate Tribunal, which affirmed the order passed by the Designated Officer, after due application of mind and thus the concurrent findings did not warrant any interference.

14. It is urged that the learned VAT Tribunal has passed the order impugned, by ignoring the statutory provisions, wherein burden of proof in the case of transfer of goods under Section 6 A of the of the CST Act, is on the dealer, who claims that he is not liable to pay tax under the said Act, on the

ground that *'the movement of such goods from one State to another was occasioned by reason of transfer of such goods by him to any other place of his business or to his agent or principal, as the case may be and not by reason of sale.'*

15. It is argued that the departmental assessment was thus founded on verified inter-departmental evidence, which was wrongly reversed by the learned VAT Tribunal, on the basis of alleged documentary evidence produced much later, whose veracity was not cross verified with the issuing authorities. Reliance is placed upon the decision of Hon'ble Supreme Court of India in the case of ***Phool Chand Gupta vs. State of A.P., (1997) 2 SCC 591*** to contend that where the statute or rules prescribed a specific declaration form as the exclusive mode of proof for claiming exemption, the requirement is mandatory and not open to dilution by alternate documentation which may be a mere surplusage. He further placed reliance on the ratio laid down in ***Ashok Leyland Vs State of Tamil Nadu (2004) 3 SCC 1, M/s Kanungo & Co. Vs Collector of Customs, Calcutta & Others (1973) 2 SCC 438, M/s Kunj Bihari Lal Radheshyam Vs. Commissioner, Commercial Tax, UP 2014 SCC Online All 18645,*** to emphasize that only a genuine form 'F' may entitle the dealer to benefit under Section 6-A of the CST Act, and that the grant of opportunity of cross examination was rightly rejected as all the material corroborative evidence was supplied to the Respondent-assessee(s), which was not rebutted.

16. In response to the submissions made on behalf of the appellant, the learned counsel appearing on behalf of the respondent(s) has contended that the enquiry conducted by the revenue officials was biased and a

farce. The orders passed by the Designated Officer and the First Appellate Authority were vitiated on account of non-observance of the principles of natural justice as the Delhi dealers were not allowed to be cross-examined. It is further contended that the onus of proving that the transactions were in fact consignment sales, stood duly discharged since sufficient material was brought on record, which was duly taken into consideration by the VAT Tribunal, while allowing the Appeals. He cites ***M/s J.K. Industries Ltd. Vs. State of Haryana and others (2015) 24 STM 50***, ***State of Tamil Nadu Vs. Cocoa Products and Beverages Ltd. Sales Tax Cases, 1997 SCC OnLine Mad 1377***, ***M/s Gordon Woodroffee and Co. Vs. Sheikh M.A. Majid and Co., 1966 SCC OnLine SC 87 and Andaman Timber Industries vs. Commissioner of Central Excise, Kolkata II (2016) 15 SCC 785***.

17. We have heard learned counsel for the parties and have gone through the material placed on record with their valuable assistance.

18. Before dealing with the rival contentions and deciding the afore-mentioned questions of law, it is apposite to examine the relevant statutory provisions, which are extracted as under:-

> ***The Central Sales Tax Act, 1956:***
>
> ***"6. Liability to tax on inter-State sales***
>
> ***6A.*** *Burden of proof, etc., in case of transfer of goods claimed otherwise than by way of sale.*
>
> *(1) where any dealer claims that he is not liable to pay tax under this Act, in respect of any goods, on the ground that the movement of such goods from one State to another was occasioned by reason of transfer of such goods by him to any other place of his business or to his agent or principal, as the case may be, and not by reason of sale, the burden of proving that the movement of those goods was so occasioned shall be on that dealer and for this purpose he may furnish to the assessing authority, within the prescribed time*

or within such further time as that authority may, for sufficient cause, permit, a declaration, duly filled and signed by the principal officer of the other place of business, or his agent or principal, as the case may be, containing the prescribed particulars in the prescribed form obtained from the prescribed authority, along with the evidence of despatch of such goods and if the dealer fails to furnish such declaration, then, the movement of such goods shall be deemed for all purposes of this Act to have been occasioned as a result of sale.

(2) If the assessing authority is satisfied after making such inquiry as he may deem necessary that the particulars contained in the declaration furnished by a dealer under sub-section(1) are true and that no Inter-State sale has been effected, he may, at the time of, or at any time before, the assessment of the tax payable by the dealer under this Act,make an order to that effect and thereupon the movement of goods to which the declaration relates shall be deemed for the purpose of this Act to have been occasioned otherwise than as a result of sale.

(3)Nothing contained in sub-section (2) shall preclude reassessment by the assessing authority on the ground of discovery of new facts or revision by a higher authority on the ground that the findings of the assessing authority are contrary to law, and such reassessment or revision may be done in accordance with the provisions of general sales tax law of the State."

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The Central Sales Tax (Registration and Turnover) Rules, 1957.

Rule 12: (1) to (4) xxx xxx xxx

(5) *The declaration referred to in sub-section (1) of Section 6A shall be in Form "F"*

Provided that a single declaration may cover transfer of goods, by a dealer. to any other place of his business or to his agent or principal as the case may be, effected during a period of one calendar month:

Provided further that if the space provided in Form "F" is not sufficient for making the entries, the particulars specified in Form "F" may be given in separate annexure attached to that form so long as it is indicated in the form that the annexure form part thereof and every such annexure is also signed by the person singing the declaration in Form "F":

Provided further that Form 'F' in force before the commencement of the Central Sales Tax (Registration and Turnover)" (Second Amendment) Rules. 1973, may continue to be used up to 31st day of December, 28(1980), with suitable modifications.

The Punjab Value Added Tax Act, 2005:

Section 29 -Assessment of Tax-

(1) *Where a return has been filed under sub section (1) or sub-section (2) of section 26 or in response to a notice under sub section (6) of section 26, if any tax or interest is found due on the basis of such return, after adjustment of any tax paid on self-assessment and any amount paid otherwise by way of tax or interest, then, without prejudice to the provisions of sub-section (2), an intimation shall be sent to the person specifying the sum so payable, and such intimation shall be deemed to be a notice of demand issued under sub-section (11) and all the provisions of this Act shall apply accordingly.*

Provided that except as otherwise provided in this sub-section, the acknowledgment of the return shall be deemed to be an intimation under this sub-section in case, either no sum is payable by the person or no refund is due to him:

Provided further that no intimation under this sub-section shall be sent after the expiry of one year from the end of financial year in which the return is filed.

(2) *Notwithstanding anything contained in sub-section (1), the Commissioner or the designated officer, as the case may be, may, on his own motion or on the basis of information received by him, order or make an assessment of the tax, payable by a person to the best of his judgement and determine the tax payable by him, where, -*

(a) a person fails to file a return under section 26 ; or

(b) there are definite reasons to believe that a return filed by a person is not correct and complete; or

(c) there are reasonable grounds to believe that a person is liable to pay tax, but has failed to pay the amount due; or

(d) a person has availed input tax credit for which he is not eligible; or

(e) provisional assessment is framed.

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Rule 90 of the PVAT Act:-

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90. *The burden of proving that any sale or purchase, effected by a person, is not liable to tax under this Act or to prove entitlement for input tax credit on any purchase, shall be on such person.*

19. Perusal of the STA Act, PVAT Act and the Rules framed thereunder would clearly show that the onus to prove that a particular sale is not amenable to tax lies strictly upon the person alleging the same. Form 'F' is of significant importance and not a mere formality. Once the record revealed that in the investigation carried out by inter-departmental authorities, it stood established that the alleged consignee(s), categorically denied having received the alleged goods and it also stood established that the Form 'F' being relied upon by the respondent-assessee(s) were in fact never issued in favour of the consignee by the competent authority, then the learned VAT Tribunal could not have brushed aside such evidence, which carries a presumption of truth.

20. Bare perusal of the findings of the learned Tribunal as extracted here-in-above would show that the same are based upon conjectures, surmises and assumptions regarding the alleged collusion between the respective tax department of the State of Punjab and Delhi, and it has wrongly discarded the inter-departmental enquiry, which is based upon official records, on the alleged premise of promptness and over-zealous action taken by the authorities. In the absence of any material available on record to substantiate such findings, we find the same to be perverse.

21. We find force in the arguments of the learned counsel for the appellant that the reliance by the learned VAT Tribunal upon the alleged material placed on record by the respondent-assessee(s), without cross-verification about the veracity of the same from the issuing authorities, was misplaced and could not have been the basis to hold that the burden of proof as required under the statutory provisions, stood discharged. The fact that the respondent(s) have themselves admitted that the 'alleged' agents of the consignees would come and receive the goods at their warehouses and further

dispatch, transportation etc. was done at their end, and the respondents had no role in the same, further supports the case of the revenue, that in the peculiar facts of the case, the respondents have failed to discharge the statutory onus cast upon them under Section 6A of the CST Act read with Section 90 of the PVAT Act.

22. We are also of the considered opinion that the orders passed by the Designated Officer and the First Appellate Authority cannot be set aside merely on the alleged ground of non-adherence to the principles of natural justice, i.e. denial of opportunity to cross-examine the consignees, once all the relevant material had admittedly been put before the respondent-assessee(s) and due opportunity to rebut the same was given. Even otherwise, the respondent-assessee(s) participated in the long-drawn proceedings before the authorities and thus, acquiesced to the same and cannot be permitted to seek setting aside of the orders, on this ground.

23. The judgments relied upon by the respondents, would not come to their aid, as the same are distinguishable on facts, since they do not pertain to a case where the official records duly corroborate falsity of the claim made by the respondent-assessee(s) and the assessment is not based solely upon the statements of witnesses.

24. In view of our findings as discussed above, we hold that: (i) the benefit of consignment sales could not have been allowed when the genuineness/validity of the requisite 'F' Form had been denied by the issuing authority; (ii) the impugned order dated 20.12.2019, is based upon presumptions and assumptions by the Learned VAT Tribunal, Punjab and is

thus liable to be set aside on this ground; (iii) the Learned VAT Tribunal, Punjab has fallen in error in setting aside the assessment order and allowing the benefit of consignment sales to the respondent-assesse(s), by discarding the inter-departmental communications, wherein it stood confirmed that no statutory 'F' Form had been issued to the dealers to whom the alleged consignment sales, were claimed to have been made; and (iv) that the learned VAT Tribunal, Punjab has fallen in error in discarding the investigation conducted by the department, only on the conjectural ground that the same appears to be over-zealous.

25. Having answered the substantial questions of law as above, we are of the view that the present appeals deserve to be allowed and are thus allowed. The order passed by the learned VAT Tribunal dated 20.12.2019 is set aside and the orders passed by the First Appellate Authority and the Designated Authority are restored.

26. Pending applications, if any, stand disposed of accordingly.

(ASHWANI KUMAR MISHRA)
JUDGE

(ROHIT KAPOOR)
JUDGE

07.11.2025
dinesh

Whether speaking/reasoned : ***Yes***
Whether Reportable ***: No***