



HIGH COURT OF ANDHRA PRADESH
WEDNESDAY ,THE TWENTY FOURTH DAY OF NOVEMBER
TWO THOUSAND AND TWENTY ONE

PRESENT

THE HONOURABLE SRI JUSTICE AHSANUDDIN AMANULLAH
THE HONOURABLE SRI JUSTICE B KRISHNA MOHAN
WRIT PETITION NO: 27322 OF 2021

Between:

1. M/s. Vasavi Modern Rice Mill rep. by its Proprietrix, Smt. K. Lalitha Meesalapeta village, Gurla Mandal, Vizianagaram District, Andhra Pradesh.

...PETITIONER(S)

AND:

1. THE ASSISTANT COMMISSIONER (STATE TAXES) Vizianagaram South circle, Vizianagaram, Andhra Pradesh
2. The A.P. State Civil Supplies Corporation Rep. by its Managing Director 10-52/1, 4th Floor, Sri Sai Towers Ashok Nagar, Beside Sins Limited Bandar Road, Kanur, Vijayawada 520007, AP.
3. The District Manager, The Andhra Pradesh Civil Supplies Corporation Vizianagaram District, Andhra Pradesh
4. State of Andhra Pradesh, rep. by its Principal Secretary to Government, Revenue (CT-II) Dept., Secretariat, Amaravathi.
5. The Union of India Rep. by its Secretary (Finance) Ministry of Finance, North Block, New Delhi 110001

...RESPONDENTS

Counsel for the Petitioner(s): SRINIVASA RAO KUDUPUDI
Counsel for the Respondents: GP FOR COMMERCIAL TAX
The Court made the following: ORDER



HIGH COURT OF ANDHRA PRADESH AT AMARAVATI

HON'BLE Mr. JUSTICE AHSANUDDIN AMANULLAH

AND

HON'BLE Mr. JUSTICE B. KRISHNA MOHAN

WRIT PETITION No.27322 OF 2021

M/s. Vasavi Modern Rice Mill,
Rep. by its Proprietrix Smt.K.Lalitha,
Meesalapeta Village, Gurla Mandal,
Vizianagaram District,
Andhra Pradesh. ... Petitioner

Versus

1. The Assistant Commissioner (State Taxes),
Vizianagaram South Circle, Vizianagaram,
Andhra Pradesh.
2. The A.P. State Civil Supplies Corporation,
Rep. by its Managing Director,
10-52/1, 4th Floor, Sri Sai Towers,
Ashok Nagar, Beside Siris Limited,
Bandar Road, Kanur, Vijayawada,
Andhra Pradesh.
3. The District Manager,
The Andhra Pradesh Civil Supplies Corporation,
Vizianagaram District, Andhra Pradesh.
4. State of Andhra Pradesh,
Rep. by its Principal Secretary to Government,
Revenue (CT-II) Department,
Secretariat, Amaravathi.
5. The Union of India,
Rep. by its Secretary (Finance),
Ministry of Finance, North Block,
New Delhi – 110 001. ... Respondents

Counsel for the petitioner : Mr. Srinivasa Rao Kudupudi

Counsel for the respondents : Mr. T. C. D. Sekhar,
A.G.P., Comm. Tax.

Mr. P. Hema Chandra,
SC, Civil Supplies.

Mr. Harinath N.,
Asst. Sol. Gen.

**ORAL JUDGMENT****Date: 24.11.2021**

(Per Hon'ble Mr. Justice Ahsanuddin Amanullah)

Heard Mr. K. Srinivasa Rao, learned counsel for the petitioner, Mr. T. C. D. Sekhar, learned Assistant Government Pleader, Commercial Tax, for the respondents no.1 and 4, Mr. P. Hema Chandra, learned Standing Counsel, Civil Supplies, for the respondents no.2 and 3, and Mr. Harinath N., learned Assistant Solicitor General appearing for the respondent no.5-Union of India.

2. The petitioner has moved the Court for the following relief:

“...to issue a Writ of Mandamus or any other appropriate Writ or order or direction, declaring the action of the 1st Respondent in passing the rectification order of the 1st Respondent dated 09.01.2019 for the period July, 2017 to June, 2018, revising the assessment order dated 30.11.2018 as illegal, arbitrary and contrary to law, in gross violation of principles of natural justice and without authority of law and jurisdiction, and set aside the same and consequently declare that the Petitioner is not liable to GST on the by-products retained by the 2nd Respondent Corporation, or in the alternative, direct the 2nd Respondent Corporation to bear the liability if it is held to be payable, and pass such other order or orders.....”

3. It is common ground at the Bar that the issue stands squarely covered by the decision of a Co-ordinate Bench dated 26.02.2021 in W.P.No.4801 of 2021 (**M/s. Vaasavi AGR Food**



**Industries vs. The Assistant Commissioner, State Taxes-II
and others).**

4. In view thereof, the present Writ Petition also stands allowed in similar terms to the aforesaid order and accordingly the assessment order dated 30.11.2018 passed by the 1st respondent, levying GST on the value of by-products i.e., broken rice, bran and husk treating them as part of the consideration paid to the petitioner for custom milling of the paddy, is set aside. However, it is made clear that the petitioner is liable to pay tax on sale of by-products, if they are statutorily taxable. No costs.

5. Miscellaneous Applications, if any pending also stand disposed of.

(AHSANUDDIN AMANULLAH,J)

(B. KRISHNA MOHAN,J)

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