HON'BLE SRI JUSTICE RAMESH RANGANATHAN
AND
HON'BLE SRI JUSTICE M. SATYANARAYANA MURTHY

WRIT PETITION No.10884 of 2014

ORDER: (per Hon'ble Sri Justice Ramesh Ranganathan)

The proceedings under challenge in this writ petition is the order of confiscation dated 24.03.2014, passed under Rule 53(4) of the A.P. VAT Rules, 2005 confiscating human hair of a quantity of 6,960 kgs, for a value of Rs.2,50,55,994/-.

2. While several contentions are urged in challenge to the order of confiscation, including that the goods could neither have been detained nor confiscated when it was still lying in the Railway Parcel premises of Vijayawada Railway Station, it is wholly unnecessary for us to examine all these aspects, as Sri S. Suri Babu, learned Special Standing Counsel for Commercial Taxes (AP), on instructions, would submit that the respondents are ready to release the entire quantity of the confiscated goods forthwith on the petitioners making payment of VAT on the invoice value of the confiscated goods.

3. Sri Vemireddy Bhaskar Reddy, learned counsel for the petitioners, would, however, contend that the entire confiscated goods were meant for export and, as such, no tax can be levied on the invoice value of the goods, as export of goods are exempt from VAT under Section 5 of the A.P. VAT Act, 2005.

4. The order of confiscation would enable the

respondents to confiscate the entire stock of the seized goods and put it to sale. The submission urged on behalf of the respondents, by Sri S. Suri Babu, Learned Special Standing Counsel for Commercial Taxes would mean that the petitioners can take custody of the confiscated goods on payment of VAT on the invoice value of the goods. If, as is now contended before us by Sri Vemireddy Bhaskar Reddy, learned counsel for the petitioners, the entire goods were meant for export, the respondents would then not be entitled to levy VAT on such goods. These are, however, matters to be examined by the Assessing Authority during the course of assessment proceedings.

Ends of justice would be met, if the confiscation order is set aside, and the respondents are directed to release the goods, in favour of the petitioners, on their furnishing proof of payment of VAT on the invoice value of the goods. The aforesaid amount, paid by the petitioners, shall be subject to the assessment order to be passed by the Assessing Authority. The assessing authority shall pass the assessment order at the earliest, in any event not later than two months from the date of receipt of a copy of this order. Needless to state that the assessment order shall be passed only after affording the petitioners a personal hearing.

5. The writ petition stands disposed of, accordingly.

6. As a sequel, miscellaneous petitions pending, if any, shall stand closed. No order as to costs.

JUSTICE RAMESH RANGANATHAN

JUSTICE M. SATYANARAYANA MURTHY

29.12.2015.

Msr

HON'BLE SRI JUSTICE RAMESH RANGANATHAN

AND

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WRIT PETITION No.10884 of 2014

29.12.2015
Msr