THE HON'BLE SRI JUSTICE R. SUBHASH REDDY

AND

THE HON'BLE Dr. JUSTICE B.SIVA SANKARA RAO

WRIT PETITION No.11904 of 2004

ORDER: (*Per Hon'ble Sri Justice R. Subhash Reddy*)

In this writ petition, the petitioner has questioned the order in Lr.No.20/3/8/0879/0879, dated 08.03.2002, of the 2nd respondent-Commissioner of Industries, Government of A.P., Chirag-Ali lane, Hyderabad-1, cancelling the sales tax exemption granted to the petitioner-unit under the provisions of APGST Act, and also the consequential demand notice, dated 28.06.2004, issued by the 1st respondent-Deputy Commercial Tax Officer, Mangalagiri.

The petitioner is a partnership firm with Registration No.GNT/08/1779 under APGST Act and GNT/08/3/1194 under CST Act, doing the business of mineral water at Undavalli. In view of the policy notified by the Government for grant of exemption to certain Units, the Industrial Department has issued final eligibility certificate to the petitioner-unit for availment of sales tax exemption to a tune of Rs.25,64,400/- for the period from 01.04.1998 to 31.03.2005. Subsequently, the impugned order is passed, cancelling the final eligibility certificate issued in favour of the petitioner, on the ground that the activity of the petitioner does not involve manufacturing process. Pursuant to the impugned order, the Commercial Tax Officer, Mangalagiri, revised the assessments for the years 1998-99, 1999-2000 & 2000-01 on 30.11.2002, determining the tax payable by the petitioner at Rs.2,15,463/-. Consequently, the demand notice dated 28.06.2004 was issued by the 1st respondent.

When the matter is called for hearing, it is submitted that the subject matter of this writ petition is covered by the judgment of this Court in the case of **Surya Mineral Waters** vs. **Commissioner of Industries & others**, by which, a batch of similar writ petitions was allowed holding that the Units, which are involved in the making of packaged drinking water, are also entitled for sales tax exemptions as per G.O.Ms.No.108, dated 20.05.1996.

As the subject matter of this Writ Petition is squarely covered by the aforesaid judgment, this writ petition is also allowed by setting aside the order dated 08.03.2002 of the 2nd respondent. Consequently, demand notice dated 28.06.2004 issued by the 1st respondent also stands quashed. No order as to costs.

As a sequel, miscellaneous petitions pending, if any, shall stand closed.

JUSTICE R. SUBHASH REDDY

Dr. JUSTICE B.SIVA SANKARA RAO

23.03.2015

v v