IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

MONDAY,THE FIFTEENTH DAY OF DECEMBER
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE SRI JUSTICE P.SAM KOSHY
AND
THE HONOURABLE SRI JUSTICE SUDDALA CHALAPATHI RAO

TAX REVISION CASE NO: 137 OF 2010

Tax Revision Case under Section 22(1) Read with Rule 10 of APGST Rules U/S.APGST Act to revise the order dated 23-06-2009 passed in T.A.No. 382 of 2004 on the file of the Sales Tax Appellate Tribunal, Andhra Pradesh, Hyderabad.

Between:

The State of Andhra Pradesh, Rep. by the State Representative before STAT., D.No. 5-4-404 to 408, Nampally, Andhra Pradesh, Hyderabad.

...PETITIONER/ Respondent

AND

M/s. Mahendra Rice Industries, Near Miryalaguda, Nalgonda. Settipalem-508 217.

...RESPONDENT/ Appellant

Counsel for the Petitioner: SRI. T. CHAITANYA KIRAN ,
Asst. Govt. Pleader representing
SRI SWAROOP OORILLA, SPECIAL GOVT.
PLEADER FOR STATE TAX

Counsel for the Respondent: ---

The Court made the following ORDER:

IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

THE HONOURABLE SRI JUSTICE P.SAM KOSHY
AND
THE HONOURABLE SRI JUSTICE SUDDALA CHALAPATHI RAO

Tax Revision Case No.137 of 2010

Dated: 15.12.2025

Between:

The State of Andhra Pradesh,
Rep. by the State Representative before STAT,
D.No.5-4-404 to 408,
Nampally, Andhra Pradesh, Hyderabad.

...Petitioner

AND

M/s.Mahendra Rice Industries,
Near Miryalaguda, Nalgonda,
Settipalem – 508 217.

...Respondent

ORDER: *(per Hon'ble Sri Justice P.Sam Koshy)*

Mr.T.Chaitanya Kiran, learned Assistant Government Pleader representing Mr.Swaroop Oorilla, learned Special Government Pleader for State Tax, appearing for the petitioner.

2. The instant is the Tax Revision Case filed by the petitioner-State Government under Section 22(1) read with Rule 10 of Andhra Pradesh General Sales Tax Act, 1957 (for short "the GST Act"). The order under challenge is that of the Tribunal dated

23.06.2009 in T.A.No.382/2004 which has partly allowed the appeal so as to inclusion of Rural Development Cess being treated as same component for the purpose of levying of tax.

3. *Vide* the impugned order, the Tribunal had partly allowed the appeal preferred by the respondent-Assessee and partly dismissed the same. There were two questions of law which stood decided by the Tribunal.

4. The present is the Tax Revision Case which had been filed assailing the only question of law which stood decided against the Revenue i.e., question No.1. The question No.1 decided was whether collection of sales Tax levied on Rural Development Cess component is enforceable in terms of G.O.Ms.Nos.951 and 952, dated 10.09.2003.

5. For better understanding of the question raised by the State Government in the present Tax Revision Case, it would be more appropriate if we refer to G.O.Ms.Nos.951 and 952 which for ready reference reproduced hereunder:

> **" APGST Act. 1957-Exemption from levy of sales tax on the Rural Development Cess component-Notification issued.**
>
> **(G.O.Ms.No.951, Revenue (CT-II) Department, Dt.10.09.2003)**

NOTIFICATION

In exercise of the powers conferred by sub section (1) of Section 9 of the Andhra Pradesh General Sales Tax Act, 1957 (Act VI of 1957), the Governor of Andhra Pradesh hereby grants exemption from the levy of sales tax on the Rural Development Cess component of the purchase value of Paddy by the Rice Millers, under the said Act.

N.S.Hariharan,
Principal Secretary to Government.

(4) G.O.Ms.No.952, Revenue (CT-II) Dept., Dt.10.9.2003.

"A.P.Rural Development Cess Act, 996- Waiver of demand relating to levy of Rural Development Cess on actual purchase prices paid by millers over and above minimum support price of paddy and also the outstanding arrears towards sales tax on Rural Development Cess component till date-Orders-Issued.

ORDER:

The Government hereby waive the outstanding demand relating to levy of Rural Development Cess on actual purchase prices paid by millers over and above minimum support price of paddy and also the outstanding arrears towards sales tax on Rural Development Cess component of Purchase Value of Paddy, till date. (emphasis added).

2. The Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad is requested to take necessary action, accordingly.

(By order and in the name of Governor of Andhra Pradesh).

N.S. Hariharan,
Principal Secretary to Government."

6. A plain reading of two G.Os would emphatically make things clear that so far as G.O.Ms.No.951, dated 10.09.2023 is concerned there was a clear exemption granted by the State Government from the levy of sales tax on the Rural Development Cess component on the purchase value of paddy by the rice miller which makes the effect and operation of G.Os. jurisdiction with effect from 10.09.2003.

7. Now coming to G.O.Ms.No.952, dated 10.09.2003, a reading of the same again would make it emphatically clear that by this G.O. the Government infact intended to waive the recovery of arrears towards sales tax on Rural Development Cess component on the purchase value of paddy, till date i.e. the date on which it is published which in the instant case was 10.09.2003. This in other way means the effect of G.O.Ms.NO.952 is granting of exemption or waiver for the previous years also. It is this fact which has been taken note of by the Tribunal in the course of allowing the revision petitions in favour of the assessee. There does not seem to be any good ground raised by the State Government to show that the finding so arrived at by the Tribunal is contrary to the intention of the Government in the course of passing of aforesaid mentioned

two G.Os i.e. G.O.Ms.No.951 and 952, dated 10.09.2003. No case has been made out by the State Government to show that there were any other G.Os. issued by the Government with which the Government could have levied either sales tax or could have recovered the arrears of the sales tax on the Rural Development Cess component. Moreover, the said finding given by the Tribunal is strictly analyzing two G.Os which makes the finding of fact, which gives minimal scope of interference under Section 22 of the GST Act. We do not find any case made calling for interference to the impugned order.

8. The Tax Revision Case referred by the petitioner-State accordingly stand rejected and the question of law decided by the Tribunal stands affirmed.

Consequently, miscellaneous petitions pending, if any, shall stand closed.

Sd/- R. KARTHIKEYAN
JOINT REGISTRAR

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SECTION OFFICER

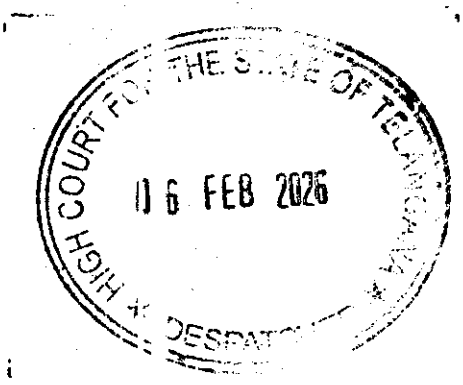
To,

1. The Sales Tax Appellate Tribunal, Andhra Pradesh, Hyderabad.
2. Two CCs to SRI. SWAROOP OORILLA, SPECIAL G.P. FOR STATE TAX Advocate [OPUC]
3. Two CD Copies JRS

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HIGH COURT

DATED:15/12/2025



ORDER

TREVC.No.137 of 2010

REJECTING TREVC

(6) JKS
20/1/26