

# ANDHRA PRADESH HIGH COURT

State of Andhra Pradesh

Vs

Vayugundla Venkata Subbaiah And Sons

(Jeevan Reddy, J.)

30.12.1982

## JUDGEMENT

### **Jeevan Reddy, J.**

( 1. ) A common question arises for decision in these three tax revision cases, viz., whether "ravva" is "rice" within the meaning of entry 66 of the First Schedule to the A.P. General Sales Tax Act, as it stood at the relevant time. The assessees in these tax revision cases are different. The assessment year concerned in T.R.C. Nos. 77 and 78 of 1979 is 1974-75, while in T.R.C. Nos. 83 of 1979 the assessment year concerned is 1973-74. At the relevant time, entry 66 in the First Schedule to the Act read as follows : "66. Rice :- (a) Rice not covered by At the point of sale 6 paise in the sub-item (b) below. by the first wholesale rupee. dealer in the State effecting the sale. Providing that a rebate of two paise in the rupee shall be allowed on the rice sold and consumed in the State in accordance with such rules as may be prescribed. (b) Rice obtained from At the point of sale by 1 paise in the paddy that has met the first wholesale rupee." tax under this Act. dealer in the State effecting the sale.

( 2. ) BY the Third Amendment Act 59 of 1976, entry 66 was deleted with effect from 7/09/1976, and was incorporated in the Third Schedule as item 22. We may also mention that, by the Second Amendment Act, 1976, being Act 49 of 1976, a new entry, i.e., entry 144, was introduced in the First Schedule with effect from 1/09/1976, relating to "ravva". The entry reads :- "144. Ravva (1144) (a) Not covered by item (b) At the point of first 4 paise in the below. sale in the State. rupee. (b) Obtained from wheat, Do. 1 paise in the rice or maize that has rupee." met tax under this Act. In this case, however, we are not concerned with these amendments. We are concerned only with the position obtaining prior to the Third Amendment to the Act, and the introduction of entry 144 in the First Schedule. The learned Government Pleader contends that "ravva" is not "rice", for the reason that it is a different product from rice and is so understood in common parlance and commercial usage. The learned counsel also relies upon the decision in Udata Narasimha Rao & Company v. State of Andhra Pradesh [1982] 51 STC 126, where a Bench of this Court, while considering the constitutionality of entries 144 and 147 of the First Schedule to the Andhra Pradesh General Sales Tax Act, observed that "ravva", which is mentioned under entry 144, cannot be considered as "declared goods". This was in the context of the fact that, with effect from 7/09/1976, "rice" became "declared goods". We are, however,

unable to agree with the learned Government Pleader. In *Alladi Venkateswarlu v. Government of Andhra Pradesh*<sup>1</sup> the Supreme Court held that "atukulu" and "muramaralu", which are called "parched rice" and "puffed rice" in English, are "rice" within the meaning of entry 66 of the First Schedule to the A.P. General Sales Tax Act. The process by which rice is converted into "ravva" is no more elaborate than the process by which rice is converted into parched rice and puffed rice. If parched rice and puffed rice fall within the meaning of the expression "rice" in entry 66, there is no reason why "ravva" should not also similarly fall within that expression. In our opinion, the said decision of the Supreme Court squarely governs the present case. We must accordingly, hold that the Tribunal was right in holding that rice ravva is "rice", and therefore, the sale of ravva constitutes second sale, and is exempt from tax.

( 3. ) WE may also observe that the question now at issue was not directly considered by the Bench of this Court in *Udata Narasimha Rao & Company v. State of Andhra Pradesh* [1982] 51 STC 126. The Bench dealt with the situation obtaining after the aforesaid Amendment Act; hence the said decision is of no help to the department. For the above reasons, these tax revision cases fail and are, accordingly, dismissed. No costs. Advocates fee Rs. 250 in each. ;

Cases Referred.

1[1978] 41 STC 394 (SC)