



**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI
(Special Original Jurisdiction)**

[3529]

MONDAY, THE SIXTEENTH DAY OF FEBRUARY
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SRI JUSTICE R RAGHUNANDAN RAO

THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR

**WRIT PETITION Nos.541, 1756, 3097, 3225, 3227, 3252, 3254, 3258 and
3354 of 2026**

WRIT PETITION NO: 541/2026

Between:

Golden Traders and Others

...PETITIONER(S)

AND

The Deputy Assistant Commissioner Of State Tax and
Others

...RESPONDENT(S)

Counsel for the Petitioner(S):

1.PASUPULETI VENKATA PRASAD

Counsel for the Respondent(S):

1.GP FOR COMMERCIAL TAX

WRIT PETITION NO: 1756/2026

Between:

M/s T.m. Enterprises

...PETITIONER

AND

The Deputy Assistant Commissioner Stii and Others

...RESPONDENT(S)

Counsel for the Petitioner:

1.P N SUNIL KUMAR REDDY

Counsel for the Respondent(S):

1.GP FOR COMMERCIAL TAX

WRIT PETITION NO: 3097/2026

Between:

Al Badar Spices

...PETITIONER

AND

The Assistant Commissioner and Others

...RESPONDENT(S)

Counsel for the Petitioner:

1.THATHIREDDY ASHOK SRIVASTAVA

Counsel for the Respondent(S):

1.GP FOR COMMERCIAL TAX

2.

WRIT PETITION NO: 3225/2026

Between:

M/s R.g Traders and Others

...PETITIONER(S)

AND

The Dy Assistant Commissioner Stiii and Others

...RESPONDENT(S)

Counsel for the Petitioner(S):

1.M V J K KUMAR

Counsel for the Respondent(S):

1.GP FOR COMMERCIAL TAX

2.

WRIT PETITION NO: 3227/2026

Between:

M/s. Shiva Traders and Others

...PETITIONER(S)

AND

The Dy Assistant Commissioner and Others

...RESPONDENT(S)

Counsel for the Petitioner(S):

1.M V J K KUMAR

Counsel for the Respondent(S):

1.GP FOR COMMERCIAL TAX

WRIT PETITION NO: 3252/2026

Between:

Iqbal Deen and Others

...PETITIONER(S)

AND

The Additional Commissioner and Others

...RESPONDENT(S)

Counsel for the Petitioner(S):

1.VENKATRAM REDDY MANTUR

Counsel for the Respondent(S):

1.GP FOR COMMERCIAL TAX

WRIT PETITION NO: 3254/2026

Between:

B J Kumar and Others

...PETITIONER(S)

AND

The Additional Commissioner and Others

...RESPONDENT(S)

Counsel for the Petitioner(S):

1.VENKATRAM REDDY MANTUR

Counsel for the Respondent(S):

1.

WRIT PETITION NO: 3258/2026

Between:

Mr. Suresh Kumar and Others

...PETITIONER(S)

AND

The Additional Commissioner and Others

...RESPONDENT(S)

Counsel for the Petitioner(S):

1.VENKATRAM REDDY MANTUR

Counsel for the Respondent(S):

1.GP FOR COMMERCIAL TAX

WRIT PETITION NO: 3354/2026

Between:

M/s. Sreekrishna Traders,

...PETITIONER

AND

The State Of Andhra Pradesh and Others

...RESPONDENT(S)

Counsel for the Petitioner:

1.AKULA VAMSI KRISHNA

Counsel for the Respondent(S):

1.GP FOR COMMERCIAL TAX

The Court made the following Common Order:

Heard Sri P. Girish Kumar, learned Senior Counsel appearing for the petitioner, Sri V. Raghuraman, learned Senior Counsel appearing for the petitioner, Sri M. V. J. K. Kumar, learned counsel for the petitioner, Sri Pasupuleti Venkata Prasad, learned counsel for the petitioner and Sri Sameer Gupta, learned counsel appearing on behalf of Sri Akula Vamsi Krishna, learned counsel for the petitioner and Sri R. Kalyan Chakravarthy, learned Government Pleader for Commercial Taxes appearing for the respondents.

2. The matters have been heard finally and reserved for judgment in the main cases.

3. However, since all the issues relate to seizure/confiscation of goods, which were in transit and interlocutory applications for release of such goods, are pending, it would be necessary to pass orders in the present set of interlocutory applications. The details of the interlocutory applications filed by the petitioners are given herein below:

Writ Petition No.	Name of the Petitioner	Interlocutory Applications filed for release of such goods or vehicles
541 of 2026	M/s. Golden Traders & Others	I.A.Nos.1 to 3 of 2026
1756 of 2026	M/s.T. M. Enterprises	I.A.No.1 of 2026
3097 of 2026	M/s. AL Badar Spices	I.A.No.1 of 2026
3225 of 2026	M/s. R. G. Traders & Others	I.A.No.1 of 2026
3227 of 2026	M/s.Shiva Traders & Others.	I.A.No.1 of 2026
3252 of 2026	Mr. Iqbal Deen & another	I.A.No.1 of 2026
3254 of 2026	Mr. B. J. KUMAR & another	I.A.No.1 of 2026
3258 of 2026	Mr. Suresh Kumar & another	I.A.No.1 of 2026
3354 of 2026	M/s. Sreekrishna Traders	I.A.No.2 of 2026

4. In all these cases, proceedings have been initiated under Section 129 or Section 130 of the Central Goods and Services Act, 2017, on the ground

that, there has been gross under-valuation of goods in transit. There is no dispute that the documents, specified under Section 68 of the Goods and Services Act, 2017, were available in all the cases, except in W.P.No.3258 of 2026.

5. Though, a large number of issues have been raised and argued before this Court, the question of whether the Authorities at a check post can go into the question of valuation of goods, is the issue which needs to be considered, in relation to any directions for release of goods.

6. This issue has been considered by various High Courts. The Hon'ble High Court of Kerala at Ernakulam in the case of ***Alfa Group Vs. The Assistant State Tax Officer, State Goods and Service Tax Department & Ors***¹. had held that the question of valuation, cannot be undertaken under proceedings initiated under Section 129/under Section 130 of the G.S.T. Act. The High Court of Chhattisgarh in the case of ***K. P. Sugandh Ltd. & Ors. Vs. State of Chhattisgarh & Ors.***², had also taken the same view. The erstwhile High Court of Andhra Pradesh, while considering the same provisions, under the A.P.G.S.T. Act, in a judgment, dated 04.12.2014, in W.P.No.2952 of 2000, had also taken the view that the question of valuation and tax payable on such goods, would have to be referred to the Assessing Authority. This principle was again reiterated by another Division Bench of the erstwhile High Court of Andhra Pradesh in the case of ***Patel Angadia and Company Vs. Assistant Commercial Tax Officer and Ors.***³. Apart from this, the Hon'ble High Court

¹ 2020 (34) G.S.T.L. 142

² 2020 (38) GSTL 317

³ 1997 (3) ALD 682; (1997) 25 APSTJ 1

of Gujarat in the case of ***Panchi Traders Vs. State of Gujarat***⁴ and the Hon'ble High Court at Allahabad in the case of ***Shamhu Saran Agarwal & Company Vs. Additional Commissioner Grade***⁵, had also held that, the issues of valuation cannot be taken up by the Officials at check post under the provisions of Section 129 or Section 130 of the G.S.T. Act.

7. Apart from the above views taken by the various High Courts, another aspect that appears relevant is the question of whether the Authorities, of a check post, of a State, through which the goods are passing, while being transported from one State to another State, can confiscate or levy penalties on goods, which are in transit. The provisions of Section 129 & Section 130 of the G.S.T. Act are to ensure due compliance of the taxation laws. This is to ensure that there is no loss of revenue to the State where the tax is payable. In such a situation, the right or jurisdiction of the Tax Authorities of another State to levy penalties or to confiscate goods, on the ground of evasion of tax in another State does not appear to be a reasonable exercise of power.

8. For all the aforesaid reasons, this Court is of the view that the goods, which have been seized or confiscated under various impugned orders, would require to be released.

9. As far as W.P.No.3258 of 2026, is concerned, the contention of the respondents is that, the vehicle in question was inspected by the Officials and subsequently, by the proper Officer, who had a complaint from the said Officials, that the driver of the vehicle was not willing to reveal any details. The

⁴ 2025 (12) TMI 941

⁵ 2024 (84) GSTL 181 (All.)

respondents also contended that, on account of the refusal of the driver to give any details, online verification was done, and it was found that, there were no E-Way Bills issued for the consignment in question.

10. The contention is that the petitioner, having realized that his consignment was under inspection, had got an E-Way Bill prepared, after the first inspection has been completed and forwarded it to the driver of the vehicle.

11. In such circumstances, this Court cannot accept the fact that there was inspection much prior to the actual inspection, which was recorded in Form – A.

12. Rule 138C of the C.G. & S.T. Rules, 2017, requires a summary report of every inspection of the goods in transit to be recorded online by the proper officer in Part A within 24 hours of inspection and a final report in Part B to be recorded within three (03) days of such inspection.

13. In the present case, there were two inspections, according to the respondents.

14. The first inspection has not been recorded and no report has been placed online. A report has been prepared for the second inspection and placed online. In this report, there is no mention about inspection of the vehicle earlier.

15. Accordingly, all the above mentioned interlocutory applications in the above table, are allowed and the goods shall be released to the petitioners.

16. Before parting with this Order, it is also necessary to record the fact that the manner of valuation, conducted by the Officials has been extremely one-sided and would not withstand scrutiny. The Authorities simply sent some samples to an Organization in Karnataka for valuation. It appears that these samples were collected in the absence of the petitioners and without their participation of the collection in samples.

17. In such circumstances, it would be necessary to direct the respondents to draw samples from all these consignments. In such a manner that the said samples are divided into three (03) parts with one part being retained by the respondents; one part being sent to the respective Jurisdictional Assessing Officer and one part being given to the petitioners.

18. Needless to say, these samples will be kept in sealed containers, with the seals being countersigned by both the Officers, who shall draw the samples, and the petitioners or their representatives. It would be open to the Jurisdictional Assessing Officer to take up further proceedings, on the basis of such samples.

19. In the event of any vehicles having been seized or detained, the same shall also be released.

R RAGHUNANDAN RAO, J

T.C.D.SEKHAR, J