

IN THE HIGH COURT OF JUDICATURE AT MADRAS**DATED : 07.06.2019****CORAM****THE HONOURABLE MR.JUSTICE M.DHANDAPANI****W.P.No.40024 of 2005**

Bannariamman Educational Trust,
Rep. by its Trustee S.V.Arumugham ... Petitioner

Vs.

1.The State of Tamil Nadu, rep. by its
Secretary to Government,
Rural Development Department,
Fort St.George, Chennai 600 009.

2.The Director,
Rural Development Department,
Chennai.

3.The Block Development Officer,
(Village Panchayats)
Sathyamangalam, Erode District.

4.The President,
Sadumugai Panchayat,
Sathyamangalam, Erode District. ... Respondents

Prayer:

Petition filed under Article 226 of the Constitution of India to issue a Writ of Certiorarified Mandamus, calling for the records relating to the demand notice of the fourth respondent dated 28.11.2005 in consequent order of the third respondent in his Na.Ka.No.308/05/A2 dated 25.11.2005 and to quash the same and consequently forbear the respondents 3 and 4 from demanding house tax/ property tax from

the petitioner institution in respect of the buildings used for running the engineering college as they are exempted from the purview of property tax under Rule 15 (c) of Tamil Nadu Panchayat (Assessment and Collection of Taxes) Rules, 1999.

For Petitioner : Mr.R.G.Narendhiran
For Respondents : Mrs.K.Bhuvaneswari for R1 and R4
Mr.J.Ramesh for R2 and R3
Additional Government Pleader

ORDER

The petitioner Trust is a public charitable Trust and it has established and running educational institutions including an Engineering College namely, Bannari Amman Institute of Technology at Alathukombai Village, Sathyamangalam Taluk, Erode District. The Trust was established on 27.11.1995 with an object of establishing/running Schools, Colleges of Arts and Science, Engineering, Medical etc., and for other purposes for the benefit of general public. The Trust is not personally benefited in any manner by running an Engineering College. However, the local Panchayat demanded property tax. Aggrieved by the same, the petitioner has filed this writ petition.

2.Heard both sides.

3.The writ petition relates to payment of tax by the Educational Institutions to the Panchayat. This issue is covered by the decision of the learned Single Judge in **Writ Petition No.26999 of 2008** in the case of **Kaamadhenu Arts And Science College vs The State Of Tamilnadu on 30 July, 2010**, the relevant portions of which are extracted hereunder:

"9. WHETHER THE LAW WAS UNCONSTITUTIONAL?

9.1. The last argument was that by the Government Order amending the Rule (which are impugned in some other writ petitions), taxes are sought to be levied in respect of self-financing institutions since prior to that there was no levy of Property Tax cannot be accepted. As can be seen from the history of such levy of property tax set out in the earlier part of this judgment, the law was that always the Self-financing institutions are covered by the Property Tax Rules and were not exempted from payment of Property Tax. On the other hand, the Government Order which granted exemption was made under Section 242 of the Panchayat Act. Such an exemption will have to be strictly

construed. The legal position before and after the present Tamil Nadu Panchayat Act was enacted was that even aided institutions which start self-financing courses will be subject to payment of property tax. Even those institutions cannot challenge the coverage under the Property Tax because there is no fundamental right to get an exemption from Property Tax is available to them."

wherein, this Hon'ble Court rejected the claim of the Educational Institutions, holding that the Educational Institutions are also enjoying the benefits given by the local bodies. Accordingly, Educational Institutions has to pay the tax demanded by the Village Panchayat.

4. In view of the above legal position, the writ petition fails and the same is dismissed. No costs. Consequently, the connected miscellaneous petition, if any, is closed.

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Speaking Order/ Non Speaking Order
Index: Yes/ No
Internet: Yes/ No

To

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