



WP(MD)No.3067 of 2020

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 31.03.2023

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THE HONOURABLE MS.JUSTICE P.T.ASHA

WP(MD)No.3067 of 2020 &
WMP(MD)Nos.2609 & 2610 of 2020

Karur College of Engineering,
Rep. by its Authorised Signatory,
1/153, Karur - Erode Road,
Sanjay Nagar, Athur Post,
Andankoil East,
Karur District - 639 008.

... Petitioner

Vs.

1.The Government of Tamil Nadu,
Represented by its Secretary,
Rural Development and Panchayat Raj Department,
Fort St. George, Chennai - 600 009.

2.Anadankovil East Panchayat,
Represented by its President,
Vadivel Nagar, LNS Post,
Karur District - 639 002.

... Respondents



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Prayer: Writ Petition filed under Article 226 of the Constitution of India to issue a writ of Certiorarified mandamus calling for the records of the respondents relating to the demand raised by the second respondent in Assessment Number 4555 dated Nil and quash the same in so far as it relates to collection of Surcharge and forbear the respondents from levying Surcharge as contemplated in Explanation-II under Schedule-I to Tamil Nadu Panchayats Act, 1994 for the buildings of the petitioner Educational Institution.

For Petitioner : Mr.Muthumani Doraisami
For Respondents : Mr.D.Ghandiraj
Special Government Pleader

ORDER

The above writ petition has been filed for issue of a writ of certiorarified mandamus to quash the demand raised by the second respondent in Assessment Number 4555 in so far as it relates to the collection of surcharge and forbear the respondents from levying Surcharge as contemplated in Explanation-II under Schedule-I to Tamil Nadu Panchayats Act, 1994 for the buildings of the petitioner Educational Institution.



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2. The facts are briefly set out herein under.

2.1. The petitioner College was established by the Amaravathy Educational Trust. The Institution has been approved by the All India Council for Technical Education and affiliated to the Anna University. The Trust which had established the petitioner College is assessed under Section 12A(a) of the Income Tax Act and the petitioner College is exempted from paying income tax on the ground that it is a non profit making Institution.

2.2. The Tamil Nadu Legislature had enacted the Tamil Nadu Panchayats Act (herein after referred as 'the Act') in the year 1994 and provided for the levy of certain taxes, which included house tax under the Panchayat. The Government provides for exemption under Section 176 of the Act. The Tamil Nadu Village Panchayats (Assessment and Collection of Taxes) Rules was framed in the year 1999. Rule 15 provides for exemption from tax to certain classes of houses. Rule 15(c) provides for this exemption in respect of buildings used for Educational Purposes. This being the position, the respondents particularly have



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issued demand notice for house tax / property tax. Apart from the tax, the respondents have also demanded payment of surcharge. Therefore, this writ petition.

3. Heard the learned counsels on either side.

4. In the Judgment in W.P.Nos.8160 of 2016, 3036 to 3038 of 2016, etc batch dated 20.06.2016, the Principal Bench of this Court had observed that since the issue of payment of property tax itself is the subject matter pending before the Division Bench of the Court, there shall be an order of exemption from payment of surcharge, till the matter is decided by the Division Bench.

5. In the light of the above Judgment, the writ petition is allowed. The demand raised by the second respondent in Assessment Number 4555 dated Nil in so far as it relates to collection of surcharge is set aside and the same shall await the decision of the Hon'ble Supre Court or the Division Bench of this Court, whichever is earlier, where the larger issue



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as to whether the petitioner is entitled for exemption is pending. No costs. Consequently, the connected Miscellaneous Petitions are closed.

31.03.2023

NCC:Yes/No
Index:Yes/No
Speaking/Non-speaking order

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To

- 1.The Secretary,
Rural Development and Panchayat Raj Department,
Fort St. George, Chennai - 600 009.
- 2.The President,
Anadankovil East Panchayat,
Vadivel Nagar, LNS Post,
Karur District - 639 002.



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P.T.ASHA, J.

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