IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20-01-2026

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THE HON'BLE DR.JUSTICE ANITA SUMANTH

AND

THE HON'BLE MR.JUSTICE MUMMINENI SUDHEER KUMAR

WP Nos. 23405 and 23406 of 2001
AND
WPMP Nos. 34532 and 34530 of 2001

M/s AR.A.S.AUTO (P) LTD.,
rep by its Director R.Kanagasabai
Melur Road
Uthankudi
Madurai 625 107

..Petitioner in
W.P.No.23405 of 2001

M/s AR.A.S.AUTO (P) LTD.,
rep by its Director R.Kanagasabai
38, T.P.K.Road
Madurai 625 001

..Petitioner in
W.P.No.23406 of 2001

Vs

1. The State Of Tamilnadu
   Rep by its Secretary,
   Commercial Tax Department, Fort. St. George,
   Chennai 600 001

2. The Commercial Tax Officer
   Nethaji Road Assessment Circle Madurai

..Respondent in both
W.P.'s

Common prayer: Writ petitions filed under Article 226 of Constitution of India for issuance of Writ of Certiorarified Mandamus calling for the records of the first respondent pertaining to Item Nos.2 and 3 of Notification No.II(2)/CT/11(1-2)/99 published vide G.O.Ms.No.6 dated 12th January 1999 in exercise of powers conferred under sections 3 and 4 of the Tamilnadu Tax on Entry of Motor Vehicles into Local Areas Act, 1990 and quash the same insofar it imposes entry tax higher than the sales tax under the Tamilnadu General Sales Tax Act, 1959 on the value of the cars and tractors imported by the petitioner from outside the State of Tamilnadu as violative of Articles 14, 19(1)(g), 301, 303(1) and 304(a) of Constitution of India and consequently direct the second respondent herein to refund to the petitioner the amount of entry tax collected from the petitioner in excess of the equivalent sales tax and remaining with the second respondent after adjustment of sales tax.

In both W.P.'s

For Petitioner(s): Mrs.R.Hemalatha
Senior Standing Counsel

For Respondent(s): Mr.V.Prashanth Kiran
Government Advocate

COMMON ORDER

(Order of the Court was made by Dr.Anita Sumanth J.)

Mr.V.Prashanth Kiran, learned Government Advocate for the respondents fairly accedes to the position that the issue involved in these Writ Petitions relating to the levy of entry tax at a higher rate than sales tax under the Tamil Nadu General Sales Tax Act, 1959, on the value of vehicles imported from outside the State of Tamil Nadu is covered by a decision of this Court in

Hindustan Motors Ltd. V. State of Tamil Nadu (W.P.Nos.1656 of 1996 etc. Batch dated 28.03.2024), wherein the first Bench of this Court held that the revenue is not entitled to charge entry tax on the vehicles or the goods imported from outside the State, more than the sales tax/VAT levied on the goods manufactured within the State and directed the petitioners therein to apply for refund.

2. The relevant portion of the aforesaid decision reads as follows:

> *3. The substratum of the petitioners' contention is that there is a disparity in the entry tax on the goods imported from the other States and the sales tax/VAT levied on the goods manufactured within the State. The same is impermissible. If the entry tax is more than the sales tax leviable on the local product, then the petitioners are entitled for refund of the excess entry tax paid. Reliance is placed on the judgment of the Constitution Bench of the Apex Court in the case of Jindal Stainless Ltd. v. State of Haryana [AIR 2016 SC 5617 :: (2017) 12 SCC 1] and three Division Bench judgments of this Court in Commercial Tax Officer, Peelamedu South Assessment Circle v. Coimbatore Auto Carage (P) Ltd. [{2011) 45 VST 69 (Mad.), Khivraj Motors Limited v. Assistant Commissioner (CT), Fast Track Assessment Circle III, Chennai [W.A.Nos.3201 to 3204 of 2004 dated 04.02.2010] and State of Tamil Nadu v. Ganesh Automobiles [(2004) 134 STC 272 (Mad.)].*
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> *4. In most of the writ petitions, the vehicles are cars and in W.P.No.139 of 2001, the vehicle is a tractor, in W.P.No.7605 of 2006, the goods involved are being used for conversion of CTD Bars and in W.P.No.26712 of 2008, the vehicle is JCB.*
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> *5. The learned Additional Advocate General fairly concedes that in view of the judgments referred to above, the Revenue would not be entitled to charge entry tax more than the sales tax.*
>
> *6. In light of the above, it is held that the respondents are not entitled to charge entry tax on the vehicles or the goods referred to*

in the writ petitions imported from outside the State more than the sales tax/ VAT levied on the goods manufactured within the State.

7. The next contention of the learned counsel for the petitioners is for refund of the amount pursuant to the excess entry tax paid .

8. It is submitted that in some of the matters in the assessment orders the excess entry tax paid is also quantified. However, the Assessing Officer has forfeited the same. The learned counsel for the petitioners submits that the petitioners would be entitled for the refund of the amount. The concept of unjust enrichment as is applicable under the Central Excise Act, 1944, would not be applicable under the Tamil Nadu Tax on Entry of Motor Vehicles into the Local Areas Act, 1990. The provision similar to Section 11(b) of the Central Excise Act does not exist under the Act of 1990.

9. The learned Additional Advocate General relies upon the observation of the Apex Court in the case of Jindal Stainless Limited vs. State of Haryana, supra.

10. According to the learned counsel for the petitioners, the same was not an issue in the said petitions, however, only a passing reference has been made. Even the obiter dictum of the Apex Court is binding on this Court. The judgment of the Apex Court in case of Jindal Stainless Limited (supra) is also upon interpreting the provisions of the Haryana Local Entry Tax and similar other provisions.

11. In light of the above, we pass the following order:

The petitioners may apply to the concerned authority for refund of the difference in the excess amount between the entry tax paid and the local sales tax leviable. The authority concerned shall consider the case put forth by the petitioners and take a decision on the application of the petitioners for refund of the amount, preferably within three months from the date the petitioners file the application.

With the aforesaid observations, the writ petitions are disposed of. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed

3. In light of the same, the impugned orders of assessment passed under the provisions of the Tamil Nadu Tax on Entry of Motor Vehicles Into Local Areas Act, 1990 are quashed and these Writ Petitions are allowed.

4. The petitioners may apply to the concerned authority for refund of the difference of the excess amount between the entry tax paid and the local sales tax paid and the authority concerned shall consider the case put forth by the petitioners and take a decision on the application of the petitioners for refund of the amount, expeditiously. No costs. Connected Miscellaneous Petitions are closed.

(A.S.M.,J.) (M.S.K.,J.)

20-01-2026

Index: Yes/No
speaking order
Neutral Citation: Yes

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To

1. The State Of Tamilnadu
   Rep by its Secretary,
   Commercial Tax Department, Fort. St. George, Chennai 600 001

2. The Commercial Tax Officer
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