



W.P.(MD) No.16616 of 2026

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 22.06.2026

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THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

W.P.(MD)No.16616 of 2026

and

W.M.P.(MD)No.12361 of 2026

Dawood Batcha Educational and Charitable Trust,
Rep. by its Executive Officer,
No.4 Saliyamangalam Road,
Papanasam Taluk, Thanjavur District.

... Petitioner

Vs.

1.The State of Tamil Nadu,
Rep. by its Principal Secretary to Government,
Municipal Administration and Water Supply Department,
Secretariat, Chennai.

2.The Executive Officer,
Papanasam Selection Grade Panchayat,
Papanasam, Thanjavur District.

3.The Revenue Divisional Officer,
Kumbakonam, Thanjavur District.

... Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, calling for the records relating to the demand notice issued by the second respondent vide his proceedings in Na.Ka.No.01/2025, dated 19.03.2025 and the



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consequential notice issued by the second respondent vide his proceedings in Na.Ka.No.-121/2026/A1 dated 26.02.2026 and quash the same as illegal and consequently, to direct the second respondent to reassess the property tax qua the Assessment Nos.4684 to 4688 after providing reasonable opportunity to the petitioner, within the period that may be stipulated by this Court.

For Petitioner : Mr.M.Ajmalkhan
Senior Counsel
for M/s.Ajmal Associates

For R1 and R3 : Mr.R.Parthiban
Standing Counsel

For R2 : Mr.V.Chandrasekar
Standing Counsel

ORDER

The writ petition has been filed challenging the impugned demand notice dated 19.03.2025 and the consequential proceedings dated 26.02.2026 seeking recovery of the alleged property tax arrears.

2. The case of the petitioner is that it is an educational institution catering primarily to students from rural areas and charges only a nominal fee. According to the petitioner, property tax had been demanded from the year 2012 onwards, notwithstanding the exemption granted to educational institutions under G.O.(Ms)No.150, dated 12.11.2007. It is stated that,



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without noticing the said exemption, the petitioner had paid the property tax demanded for the period from 2012 onwards. Subsequently, educational institutions such as the petitioner became liable to pay property tax only with effect from 25.01.2018.

3. The petitioner would further state that it had earlier approached this Court by filing W.P.No.3183 of 2012, wherein this Court directed the respondents to adjust the property tax paid by the petitioner for the period from 2012 to 2018 towards future tax liabilities. According to the petitioner, neither was any proper assessment made thereafter by associating the petitioner in the process nor was the adjustment directed by this Court effected. In such circumstances, a demand for a sum of Rs.37,36,246/-, inclusive of penalty, has now been raised, which, according to the petitioner, is wholly unsustainable and beyond its financial capacity. Aggrieved thereby, the present writ petition has been filed.

4. The learned Senior Counsel appearing for the petitioner submitted that the provisions of the relevant Urban Local Bodies Act, 1998 presently govern the field and that the procedure prescribed thereunder has not been followed. It was further submitted that the statute



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also prescribes a limitation period restricting levy to six years. According to the learned Senior Counsel, no assessment order was ever served upon the petitioner and no inspection was conducted in the presence of the petitioner.

5. Per contra, the learned Standing Counsel appearing for the second respondent-Panchayat submitted that he had recently entered appearance and, therefore, required further time to file a detailed counter affidavit. However, based on the instructions received, he submitted that assessment had already been completed and that when the authorities sought to inspect the petitioner's premises, it was the petitioner institution that declined to permit such inspection. Consequently, in the absence of cooperation from the petitioner and in the absence of any returns being filed, the authorities proceeded to determine the tax liability based on the approved building plan and issued the impugned demand. It was further submitted that the petitioner has not paid any property tax at all and that the present arrears have accumulated over a long period. According to the second respondent, although the petitioner had approached this Court in relation to the period from 2012 to 2018, even thereafter no property tax was paid by the petitioner.

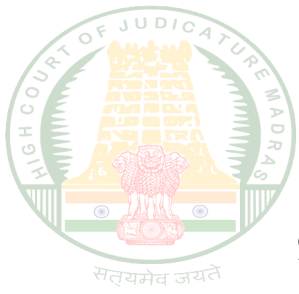


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6. I have considered the rival submissions advanced on either side and perused the materials available on record.

7. The fact that the petitioner is an educational institution catering primarily to students from rural areas is not in dispute. At the same time, the statutory procedure prescribed under Section 82(3) and (4) of the Act is required to be strictly adhered to while undertaking reassessment proceedings.

8. Under the said provisions, the assessee is required to file the prescribed return. Upon such filing, the same is liable to be scrutinized by the local authority. In the event of any disagreement with the particulars furnished, the authority may provisionally determine the return and call for objections from the assessee. In cases where no return is filed, it is open to the authority to determine the tax liability independently, subject to affording an opportunity to the assessee to raise objections before finalization. Any inspection required for such determination must also be conducted in accordance with law.



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9. In the present case, it is the specific stand of the respondents that the petitioner did not permit inspection of the premises. However, on a perusal of the records, this Court does not find any material evidencing issuance of a show cause notice inviting objections from the petitioner prior to finalization of the assessment. Therefore, the mandatory opportunity contemplated under the statute appears to have been denied.

10. At the same time, the local authority cannot be deprived of its legitimate right to levy and collect property tax. The petitioner cannot indefinitely avoid assessment proceedings by repeatedly approaching this Court while remaining outside the tax net. A balance therefore has to be struck between the competing interests.

11. In the circumstances, this Court is of the view that the ends of justice would be met by directing the petitioner to make a substantial deposit and thereafter permitting the assessment process to be undertaken afresh in accordance with Section 82(3) and (4) of the Act. Such a course would also enable the petitioner to raise all contentions available to it in law, including those relating to exemption, limitation and adjustment of amounts already paid.



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12. Accordingly, this writ petition is disposed of on the following

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(i) The petitioner shall deposit a sum of Rs.5,00,000/- (Rupees Five Lakhs only) with the second respondent-Town Panchayat within a period of four weeks from the date of receipt of a web copy of this order.

(ii) Along with proof of such payment, it shall be open to the petitioner to file the requisite returns before the second respondent within the said period of four weeks. Upon receipt thereof, the returns shall be taken on file and processed in accordance with law. In the event the petitioner fails to file the returns, it shall nevertheless be open to the respondents to determine the tax liability independently in accordance with the procedure prescribed under Section 82(3) and (4) of the Act.

(iii) Any inspection required for the purpose of assessment shall be conducted in the presence of the petitioner or its authorised representative, upon due notice.



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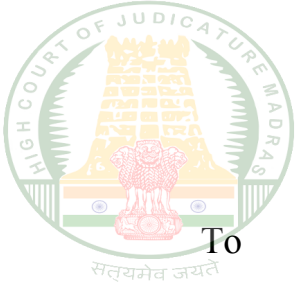
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(iv) Upon completion of the inspection and provisional determination of the tax liability, the proposed assessment shall be communicated to the petitioner. The petitioner shall be entitled to submit its objections, if any, within a period of two weeks from the date of receipt thereof. Thereafter, the respondents shall consider the objections and pass final orders of assessment as expeditiously as possible. The rights and liabilities of the parties shall thereafter stand governed by such fresh assessment order.

(v) No costs. Consequently, the connected Miscellaneous Petition is closed.

22.06.2026

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To

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- 1.The Principal Secretary to Government of Tamil Nadu,
Municipal Administration and Water Supply Department,
Secretariat, Chennai.
- 2.The Executive Officer,
Papanasam Selection Grade Panchayat,
Papanasam, Thanjavur District.
- 3.The Revenue Divisional Officer,
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D.BHARATHA CHAKRAVARTHY, J.

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