

IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION  
CIVIL APPEAL NO. 9253 of 2010

ANGAMMAL EDUCATIONAL TRUST  
REP. BY ITS CHAIRMAN

Appellant(s)

VERSUS

STATE OF TAMIL NADU  
REP. BY ITS SECRETARY AND ANR.

Respondent(s)

WITH

C.A. No. 9272/2010  
C.A. No. 9302/2010  
C.A. No. 9269/2010  
C.A. No. 9304/2010  
C.A. No. 9301/2010  
C.A. No. 9303/2010  
C.A. No. 9307/2010  
C.A. No. 9310/2010  
C.A. No. 9309/2010  
C.A. No. 9311/2010  
C.A. No. 9306/2010  
C.A. No. 9305/2010  
C.A. No. 9308/2010  
C.A. No. 9300/2010  
C.A. No. 9262/2010  
C.A. No. 9277/2010  
C.A. No. 9279/2010  
C.A. No. 9280/2010  
C.A. No. 9278/2010  
C.A. No. 9284/2010  
C.A. No. 9294/2010  
C.A. No. 9295/2010  
C.A. No. 9297/2010  
C.A. No. 9296/2010

C.A. No. 9299/2010  
C.A. No. 9285/2010  
C.A. No. 9281/2010  
C.A. No. 9283/2010  
C.A. No. 9276/2010  
C.A. No. 9287/2010  
C.A. No. 9298/2010  
C.A. No. 9293/2010  
C.A. No. 9291/2010  
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C.A. No. 9266/2010  
C.A. No. 9255/2010  
C.A. No. 9265/2010  
C.A. No. 9264/2010  
C.A. No. 9256/2010  
C.A. No. 9263/2010  
C.A. No. 9260/2010  
C.A. No. 9259/2010  
C.A. No. 9274/2010  
C.A. No. 9261/2010  
C.A. No. 9258/2010  
C.A. No. 9273/2010  
C.A. No. 9254/2010  
C.A. No. 9257/2010  
C.A. No. 9271/2010

O R D E R

The essence of the dispute which arises in these appeals for consideration is captured in Order dated 12<sup>th</sup> October, 2017 passed by this Court and, therefore, it would be apt to reproduce the same in its entirety:

"The present batch of appeals raises a challenge to the Amendment (Act 13 of 2003) of The Tamil Nadu Motor Vehicles Taxation Act, 1974 by which Motor Vehicles Tax on buses that are used by educational institutions has been increased from a flat figure of Rs. 500/- per quarter to Rs. 150/- per seat per quarter. The effect of the raise, therefore, in percentage terms is between 450% and 1800%.

Ms. V.Mohana, learned senior counsel appearing on behalf of the appellant, has pointed out that the educational institutions appearing before us include a number of nursery schools, special schools for mentally and physically challenged children, dumb and deaf children, blind children etc. These schools have vehicles- buses and vans of their own to bring students to such schools from far off places. She has pointed out that in most of these institutions free education is provided, and that the impugned judgment dated 15.11.2006 of the High Court of Madras stating that this was not the case is not correct.

It has also been pointed out that Section 3(2) of the Tamil Nadu Motor Vehicles Taxation Act, 1974, while empowering the Government, by notification, to increase the rate of tax specified in the Schedules to the Act provides that such increase by notification shall not in the aggregate exceed 50% of the rate so specified in any of the said Schedules. She has argued that the Amendment Act flies in the face of the principle of the said proviso, which is that arbitrary increases in tax should not be resorted to. According to her, it is obvious that on facts unequals are being treated as equals and that insofar as the appellant institutions are concerned, there would be a violation of the equality clause of the Constitution.

We feel that it would be in the fitness of things if the State of Tamil Nadu were to

examine these cases separately and differently from other cases involving payment of motor vehicles tax. We have been informed that the present batch of appeals only relates to three years, namely, 2003 to 2006, and that when the tax was decreased in 2006 to Rs. 100 per person per bus, the appellants have thereafter paid motor vehicles tax at the said rate. Ms. Mohana has also made a fervent plea before us that it would be well nigh impossible for the institutions before us now to collect amounts by way of tax that may be charged at this exorbitant rate for these three years, especially having regard to the fact that payments at the earlier rate of Rs. 500 per bus per quarter has in fact, been made in all these three years. This being the factual scenario, we would request Mr. Subramonium Prasad, learned Additional Advocate General, to look into these matters personally and advise the Government to exempt, as a one time measure, these educational institutions from payment of tax at the higher rate.

The matters to come up after eight weeks."

(2) Pursuant to the aforesaid order, matter was examined by the respondent-State Government. Mr. K. V. Vijaya Kumar, learned counsel appearing for the respondent-State, submits that the Government has agreed not to recover any arrears of the Motor Vehicles Tax but the amount which is already recovered, is not to be refunded.

(3) Learned counsel appearing for the appellants have argued that increase in the rate of Motor Vehicles Tax was substantially higher, as noted in Order dated 12<sup>th</sup> October, 2017, and was contrary to proviso to Section 3(2) of the Tamil Nadu Motor Vehicles Taxation Act, 1974 and, therefore, there is no reason for not refunding the tax which is already collected

from these appellants.

(4) We may record here at this stage that all these appeals are preferred by the educational institutions or the educational institutions represented through their associations. Therefore, the scope of these appeals is confined to the payment of Motor Vehicles Taxes by such schools/colleges on the buses or other vehicles used by them.

(5) Having considered the entirety of the issue and also going by the spirit and tenor of Order dated 12<sup>th</sup> October, 2017, we are of the opinion that though a decision is taken by the State Government not to overcharge insofar as these educational institutions are concerned even the tax which was collected on that account should also be refunded.

(6) We, therefore, allow these appeals to the aforesaid extent and the Motor Vehicles Tax which was collected by the State Government, in excess, from the appellants shall be refunded to them within a period of four weeks from the date of receipt of a copy of this Order.

(7) We make it clear that this order shall not be treated as a precedent and insofar as other vehicle owners, who do not fall in the category of educational institution, are concerned they shall not be entitled to take advantage of this order. We also make it abundantly clear that any such tax paid by any such

other vehicle owners shall not claim any refund of Motor Vehicle Tax already paid by them.

.....J.  
(A.K. SIKRI)

.....J.  
(NAVIN SINHA)

NEW DELHI,  
JULY 18, 2018.

ITEM NO.108

COURT NO.5

SECTION XII

S U P R E M E C O U R T O F I N D I A  
R E C O R D O F P R O C E E D I N G SCivil Appeal No(s). 9253/2010ANGAMMAL EDUCATIONAL TRUST  
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Appellant(s)

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C.A. No. 9254/2010 (XII)  
C.A. No. 9257/2010 (XII)  
C.A. No. 9271/2010 (XII)

Date : 18-07-2018 These appeals were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE A.K. SIKRI  
HON'BLE MR. JUSTICE NAVIN SINHA

For Appellant(s)

Ms. V. Mohana, Sr. Adv.  
 Mr. B. Ragunath, Adv.  
 Mr. Vijay Kumar, AOR

Mr. P.R. Kovilan, Adv.  
 Mr. V. Vasudevan, Adv.  
 Mrs. Geetha Kovilan, AOR

Mr. V. Prabhakar, Adv.  
 Ms. Jyoti Parasher, Adv.  
 Mr. N.J. Ramchandar, Adv.  
 Mrs. Revathy Raghavan, AOR

Mr. Prasanth P., Adv.  
 Ms. K. V. Bharathi Upadhyaya, AOR

Mr. Romy Chacko, AOR  
 Mr. Chandan Kumar Mandal, Adv.

Mr. V. Balachandran, AOR  
 Mr. A. Lakshminaryan, Adv.

Mr. V. N. Subramanian, Adv.  
 Mr. Balaji Srinivasan, AOR  
 Ms. Anzu K. Varkey, Adv.

Mr. M. A. Chinnasamy, AOR  
 Mr. C. Rubavathi, Adv.  
 Mr. V. Senthil Kumar, Adv.

Mr. Rakesh K. Sharma, AOR

Ms. N. Annapoorani, AOR

Mr. Naresh Kumar, AOR

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M/S. Arputham Aruna And Co.

Mr. Vikas Singh Jangra, AOR

Mr. Jitendra Kumar, AOR

Mr. E. M. S. Anam, AOR

Mr. Nikhil Nayyar, AOR

Mr. K. K. Mani, AOR

For Respondent(s)

Mr. K. V. Vijayakumar, AOR  
 Ms. Maitreyee Mishra, Adv.

Mr. B. Balaji, AOR

Mr. T. Harish Kumar, AOR

Mr. A. N. Arora, AOR

Mr. M. Yogesh Kanna, AOR

UPON hearing the counsel the Court made the following  
O R D E R

In terms of the signed order, the appeals are allowed.

Pending applications, if any, shall also stand disposed of.

(MAHABIR SINGH)  
COURT MASTER (SH)

(RAJINDER KAUR)  
BRANCH OFFICER

(Signed order is placed on the file)