**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

C.W.P. No. 7503 of 2016 (O&M)
Date of decision: 22.7.2016

M/s Indus Super Speciality Hospital .. Petitioner

vs

State of Punjab and another .. Respondents

**Coram: Hon'ble Mr. Justice Rajesh Bindal
Hon'ble Mr. Justice Harinder Singh Sidhu**

Present: Mr. Arjun Sharma, Advocate, for the petitioner.

Rajesh Bindal, J.

The petitioner has impugned the communication dated 25.8.2015 (Annexure P-9), a notice issued to the petitioner for payment of property tax and order dated 16.12.2015 (Annexure P-13), vide which the appeal against the levy of property tax, was dismissed.

The grievance of the petitioner is that upto the year 2013-2014, the hospitals were part of different category, namely, Private Health and Educational Institutions and a concessional rate of tax was applicable, however, from the year 2014-2015, the entire policy was changed and inspite of the fact that the private hospitals have not been mentioned in any of the categories, these are being included in the commercial buildings category and house tax as such to be charged from them. The submission is that private health care hospitals cannot be included in the commercial buildings.

After hearing learned counsel for the petitioner, we do not find any merit in the submissions made. Vide communication dated 31.12.2014, the rates of house tax were rationalised. Different rates were provided for residential houses, flats, commercial buildings, multiplex, malls, hospitals and industries or the educational institutions. The areas for different categories were defined. The entire State was divided into three areas and the rates were fixed accordingly. The relevant part of the notification is extracted below:-

Use		Rate of tax as per classification and category (in rupees)			Remarks
		Area classification	A category towns	B category towns	
1	2	3	4	5	6
Residential houses	For all, except single storey houses built on land area upto 125 square yards	Area 1	5.00 per square yard	2.00 per square yard	These rates are for built up area of ground floor. For basement, first floor, other floors and vacant area, the rate will be fifty per cent of the rates specified in column No. 4/5.
		Area 2	3.00 per square yard	1.00 per square yard	
		Area 3	2.00 per square yard	-	
Flats	Having more than 500 square feet super area	Area 1	5.00 per square yard	2.00 per square yard	-
		Area 2	3.00 per square yard	1.00 per square yard	
		Area 3	2.00 per square yard	-	
Commercial buildings including Restaurants (except multiplexes, malls, marriage palaces)	Having 100 square feet land or below	Area 1	4.00 per square foot	3.00 per square foot	These rates are for built up area of ground floor. For basement, first floor, other floors and vacant area, the rate will be fifty per cent of the rates specified in column No. 4/5.
		Area 2	2.00 per square foot	1.50 per square foot	
		Area 3	1.75 per square foot	-	
	Having 1000 square feet land or below but beyond 100 square feet land	Area 1	5.00 per square foot	4.00 per square foot	
		Area 2	3.00 per square foot	2.00 per square foot	
		Area 3	2.00 per square foot	-	
	Having beyond 1000 square feet land	Area 1	6.00 per square foot	5.00 per square foot	
		Area 2	4.00 per square foot	2.50 per square foot	
		Area 3	3.00 per square foot	-	
Multiplex, Malls etc.	-	For all areas	15.00 per square foot	10.00 per square foot	These rates are for whole built-up area having distinct roof and/ or partition and for all floors.
Marriage palaces	-	For all areas	6.00 per square yard	4.00 per square yard	These rates are for whole area of land.
Hotels	Having 15 rooms or below (without star, one star or two star)	Area 1	6.00 per square foot	4.00 per square foot	These rates are for every built up area irrespective of floor. There will be no tax on vacant land and parking area.
		Area 2	5.00 per square foot	3.00 per square foot	
		Area 3	4.00 per square foot		

	Having beyond 15 rooms (without star, or with star)	Area 1	9.00 per square foot	8.00 per square foot	
		Area 2	8.00 per square foot	6.00 per square foot	
		Area 3	7.00 per square foot	-	
Industrial (any manufacturing unit), educational institutions, and godowns	Having 4000 square yards land or below	For all areas	5.00 per square yard	4.00 per square yard	*These rates are for built up area of ground floor. For basement, first floor, other floors and vacant area, the rate will be fifty per cent of the rates specified in column No. 4/5.*
	Having beyond 4000 square yards land	For all areas	7.50 per square yard	6.00 per square yard	

The contention that the petitioner, which is running a private hospital on commercial lines, should not be charged the rate as fixed for commercial buildings, is merely to be noticed and rejected. It has rightly been opined by the appellate authority in the impugned order, Annexure P-13, that the petitioner, which is running a private hospital, will fall in commercial category and the rates as applicable for commercial building will be applicable.

Nothing could be pointed out that the petitioner could be considered in any other category as defined in the notification prescribing the rates from April 2014 onwards is concerned. There is no challenge to the notification as such.

For the reasons mentioned above, we do not find any merit in the present petition. The same is accordingly dismissed.

(Rajesh Bindal)
Judge

22.7.2016
vs

(Harinder Singh Sidhu)
Judge

Whether speaking / reasoned Yes/ No
Whether Reportable Yes/No