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HIGH COURT OF CHHATTISGARH, BILASPUR

Writ Appeal No. 624 of 2018

{Arising out of Order dated 19.06.2018 passed in Writ Petition (T) No. 2 of 2018 by the learned Single Judge}

1. Municipal Corporation, Through its Commisioner, Bhilai, District Durg, Chhattisgarh.

2. Property Tax Officer, Municipal Corporation, Bhilai, District Durg, Chhattisgarh.

---- Appellants

Versus

1. Steel Authority of India Limited, Bhilai Steel Plant, Through its Chief Executive Officer, Bhilai Steel Plant, Ispat Bhawan, Bhilai, DistrictDurg, Chhattisgarh.

2. State of Chhattisgarh, Through the Secretary, Department of Urban Administration and Development Mahanadi Bhawan, Mantralaya New Raipur, District Raipur, Chattisgarh.

---- Respondents

For Appellant	: Shri Manoj Paranjpe, Advocate.
For Respondent/Corporation	: Dr. N.K.Shukla, Senior Advocate with Shri Shailendra Shukla, Advocate.
For Respondent/State	: Shri UNS Deo, Government Advocate.

Hon'ble Shri Ajay Kumar Tripathi, Chief Justice
Hon'ble Shri Parth Prateem Sahu, Judge

Order on Board

Per Ajay Kumar Tripathi, Chief Justice

19/09/2018

1. Heard counsel for the Appellant, counsel for the Steel Authority of India Limited (for short 'the SAIL') as well as the State.

2. The learned Single Judge, vide order dated 19.06.2018 set aside the notification dated 08.09.2016 based on which revised return on property tax was directed to be paid by the SAIL. Such demand for payment of tax at enhanced rate was held to be in breach of Article 265 of the Constitution of India as also Section 133-B of the Chhattisgarh Municipal Corporation Act, 1956 (for short 'the Act').

3. Without going into the details of the order or the reasons provided by the learned Single Judge to allow the writ application, the accepted position is that the State Government had never issued any notification in furtherance to the objections it had invited and received under Section 133-B of the Act. Notice for objection cannot become the basis for enhancement of property tax. Admittedly, no separate notification as a follow up to the notice inviting objection was ever issued by the State Government. The decision of the learned Single Judge cannot be said to be erroneous in any manner.

4. Learned counsel for the Respondent-Corporation thereafter submits that Annexure P/1, dated 18.10.2016 has been quashed in entirety whereas reading of the same would indicate that there were two parts to the notice.

5. Without going into the controversy, if the submission of the counsel for the Appellant is accepted that so far as non assessment for certain property which was not included in the self-assessment is correct, then they have powers under the Act to issue a separate notice in this regard. But any collection of taxes on the property cannot be made on the revised or enhanced rate as the same is devoid of any statutory force and appropriate notification.

6. The Court, however, sets aside the order in relation to imposition of cost of Rs. 10,000/- which was made payable to the Chhattisgarh High Court Legal Services Committee, as there was a bonafide mistake not only by the Appellant-Corporation but other Municipal Corporations as well in understanding the notice inviting objection and treating the same to be the final notification authorizing revision.

7. The appeal otherwise has no merit. It is dismissed.

Sd/-	Sd/-
(Ajay Kumar Tripathi)	(Parth Prateem Sahu)
CHIEF JUSTICE	**JUDGE**

Amit