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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 4022/2025, CM APPL. 18703/2025 & CM APPL. 18704/2025

MAHANAGAR TELEPHONE NIGAM LTD. .....Petitioner

Through: Mr. Chandan Kumar and Mr. Vikram Sharma, Advs.
M: 9810312011
Email: ckumar7691@gmail.com

versus

DELHI CANTONMENT BOARD AND ANR. .....Respondents

Through: Mr. Ankur Mishra, Adv. for Delhi Cantonment Board
M: 9899603768

CORAM:
HON'BLE MS. JUSTICE MINI PUSHKARNA

O R D E R

% **03.04.2025**

1. The present writ petition has been filed praying for setting aside the confirmation of annual rateable value by letter dated 30th June, 2022, and demands dated 21st July, 2022, 05th September, 2022, 20th October, 2022, 24th November, 2022 and 28th March, 2023, issued by the respondent nos. 1 and 2.

2. Learned counsel appearing for the petitioner submits that the petitioner is a company incorporated under the Companies Act, 1956. The petitioner's property bearing no. *MTNL, Shastri Bazaar, Delhi Cantt.*, falls within the jurisdiction of respondent no.1.

3. Learned counsel appearing for the petitioner submits that in the present petition, the petitioner is confining the relief only on the aspect of non-grant of any personal hearing to the petitioner, before confirmation of the annual rateable value, by the respondents.

4. This Court notes when the present matter was listed on the last date of hearing, i.e., 01st April, 2025, this Court had recorded as under:

> *"xxx xxx xxx*
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> *3. The present petition has been filed challenging the confirmation of Annual Rateable Value by letter dated 30th June, 2022, and demands dated 21st July, 2022, 05th September, 2022, 20th October, 2022, 24th November, 2022 and 28th March, 2023.*
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> *4. **Learned counsel appearing for the petitioner submits that the only issue which is being raised before this Court, is that no hearing was granted to the petitioner and by their communication dated 30th June, 2022, respondent no. 1 confirmed and determined the Annual Rateable Value. He submits that the petitioner shall be satisfied, if an opportunity is granted to the petitioner to give a hearing before the respondent**.*
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> *5. Learned counsel appearing for the respondent submits that in the present case, the present petition is not maintainable, as statutory appeal has to be filed, in case, the petitioner is aggrieved by any assessment order. He further submits that no objections were filed within 30 days period by the petitioner in the first instance. He submits that the other objections raised by the petitioner were duly considered.*
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> *6. **Since, the only issue pressed before this Court is with respect to grant of hearing, respondent is directed to take instructions as to whether the respondent is ready and agreeable to give hearing to the petitioner with regard to the property tax payable by the petitioner**.*
>
> *xxx xxx xxx"*
>
> *(Emphasis Supplied)*

5. Today, learned counsel appearing for the respondent-Delhi Cantonment Board, submits that he has instructions to state that the respondent-Delhi Cantonment Board, is ready to provide hearing to the

petitioner herein. However, he submits that the mere fact that the respondents are agreeable to provide any personal hearing to the petitioner, will not mean that the delay, with respect to the filing of the statutory appeal in terms of the Cantonments Act, 2006 ("Cantonments Act"), shall be condoned.

6. He submits that the notice under Section 76(1) of the Cantonments Act was issued on 21st March, 2022. He submits that in paragraph 2 of the said notice, it had clearly been stated that any objections, with regard to the Annual Letting Value of the premises in question, was to be submitted within a period of thirty days, from the receipt of the notice.

7. He submits that the petitioner has not submitted any objections within the time, as granted by the respondents.

8. Learned counsel appearing for the respondents further relies upon the Section 96 of the Cantonments Act, to submit that against any assessment order, statutory appeal is to be filed by the assessee. Thus, he submits that the correct course of action, to be adopted by the petitioner, would have to be the filing of a statutory appeal, in terms of Section 93 of the Cantonments Act.

9. Learned counsel appearing for the respondents further submits that the petitioner ought to pay certain sum towards property tax, before any hearing is granted to it.

10. *Per contra*, learned counsel appearing for the petitioner relies upon Section 111(2)(f) of the Cantonments Act, which reads, as under:

> *"xxx xxx xxx*
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> ***111. Exemption in case of buildings***
> **………**
> *(2) The following buildings and lands shall be exempt from any property*

tax other than tax imposed to cover the cost of specific services rendered by the Board, namely:—
………
(f) any buildings or lands, or portion of such buildings or lands, which are the property of the Government.

xxx xxx xxx"

11. By relying upon the aforesaid Section, learned counsel appearing for the petitioner submits that petitioner is exempted from payment of any property tax.

12. He further draws the attention of this Court to Section 109 of the Cantonments Act, wherein, it is stated as follows:

> *"xxx xxx xxx*
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> ***109. Payment to be made to a Board as service charges by Central Government or State Government**.—The Central or the State Government, as the case may be, shall pay to a Board annually service charges for providing collective municipal services or development work in a cantonment where the Central or the State Government properties are situated as worked out by the Board based on the guidelines issued in this behalf by the Central Government or the State Government.*
>
> *xxx xxx xxx"*

13. By referring to the aforesaid Section, it is submitted that even government bodies are required to pay service tax. He submits that the petitioner, which is not a government body, cannot escape the liability of property tax.

14. Thus, it is submitted that even the Central or State Government, as the case may be, are amenable to payment of service charges. He further submits that the petitioner herein, cannot be considered to be a government body and therefore, property tax is payable by the petitioner.

15. Without going into the merits of the case, in view of the fact that the

principle submission before this Court by the petitioner, is with regard to the grant of hearing to the petitioner, it is directed that the respondents shall grant hearing to the petitioner.

16. Accordingly, following directions are issued:

i. The grant of hearing to the petitioner, by the respondents, shall be subject to payment of Rs. 10,00,000/- (Rupees Ten Lacs), by the petitioner to the respondents, within a period of four weeks, from today.

ii. Upon deposit of the aforesaid amount by the petitioner within a period of four weeks, the hearing shall be granted by the respondents to the petitioner.

iii. No coercive steps shall be taken against the petitioner during the pendency of the hearing, being granted to the petitioner.

iv. After granting the due hearing to the petitioner, a speaking order shall be passed by the respondents, which shall be duly communicated to the petitioner.

v. For a period of three weeks, after the passing of the speaking order by the petitioner, no coercive action shall be taken against the petitioner, by the respondents.

vi. Upon receipt of the speaking order from the respondents, the petitioner would be at liberty to file statutory appeal in terms of Section 93 and 96 of the Cantonments Act, 2006.

vii. In case, the petitioner does not deposit the amount of Rs. 10,00,000/- (Rupees Ten Lacs), within a period of four weeks with the Delhi Cantonment Board, the protection granted by this Court, shall automatically come to an end.

17. It is clarified, that this Court has not expressed any opinion on the

merits of the case. Rights and contentions of both the parties are left open, including, any objection by the respondents, with regard to the delay in filing the appeal by the petitioner.

18. It is further clarified that this Court has not expressed any opinion as regards condonation of delay of filing the statutory appeal by the petitioner in terms of the Cantonment Act, 2006.

19. With the aforesaid directions, the present petition, along with the pending applications, stands disposed of.

MINI PUSHKARNA, J

APRIL 3, 2025/kr