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

\+ W.P.(C) 9026/2025, CM APPL. 38424/2025 & CM APPL. 38425/2025

KHETRI TRUST .....Petitioner

Through: Mr. Ravi Gupta, Sr. Advocate with Mr. Ishaan Verma, Ms. Diviani K. Verma, Mr. Armaan Verma, Mr. Shrey, Ms. Muskaan Mehra, Advocates
Mob: 9910665271
Email: vvkandcompany@gmail.com

versus

NEW DELHI MUNICIPAL COUNCIL .....Respondent

Through: Mr. Sanjay Sharma, Addl. Standing Counsel for NDMC
Mob: 9810798828
Email: sharmasanjaylegalpoint@gmail.com

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\+ W.P.(C) 9086/2025, CM APPL. 38641/2025 & CM APPL. 38642/2025

KHETRI TRUST .....Petitioner

Through: Mr. Ravi Gupta, Sr. Advocate with Mr. Ishaan Verma, Ms. Diviani K. Verma, Mr. Armaan Verma, Mr. Shrey, Ms. Muskaan Mehra, Advocates
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versus

NEW DELHI MUNICIPAL COUNCIL .....Respondent

Through: Mr. Sanjay Sharma, Addl. Standing Counsel for NDMC
Mob: 9810798828
Email: sharmasanjaylegalpoint@gmail.com

CORAM:
HON'BLE MS. JUSTICE MINI PUSHKARNA

O R D E R

% 04.07.2025

1. At the outset, this Court notes that *W.P.(C) 9026/2025* has been filed by the petitioner praying for quashing of the notice dated 31st March, 2024, issued by the respondent and the incidental notices/proceedings in respect of the *property bearing no. 5, Sardar Patel Marg, New Delhi-110021*.

2. On the other hand, *W.P.(C) 9086/2025* has been filed with a prayer for restraining the respondent from enforcing or acting pursuant to the Assessment Order dated 31st January, 2024 and the impugned bills dated 15th February, 2024, 01st June, 2024 and 28th May, 2025, during the pendency of the appeal by the petitioner, i.e., *HTA No. 34/2024,* titled as *"Khetri Trust Versus NDMC"*, pending before the Court of District Judge, New Delhi District, Patiala House Courts, New Delhi.

3. Learned Senior Counsel appearing for the petitioner submits that as per the scheme of the New Delhi Municipal Council Act, 1994 ("NDMC Act"), an Assessment List has to be prepared under Section 70 of the NDMC Act. Thereafter, as per Section 72 of the NDMC Act, the Rateable Value ("RV") is fixed, either by amending the RV or by adopting the RV of the previous year.

4. He further submits that it is only after fixing of the RV, the time and manner of payment of taxes is laid down in terms of Section 98 of the NDMC Act.

5. It is further submitted that thereafter, under Section 99 of the NDMC Act, a property tax bill is to be presented by the NDMC for the payment of property tax. If an assessee fails to pay the property tax, then consequently, notice of demand under Section 100 of the NDMC Act is issued. Further, if an assessee fails to pay the said demand in terms of the demand notice under Section 100, and does not file any appeal challenging the demand, only then an assessee is said to be in default.

6. Learned Senior Counsel appearing for the petitioner submits that the petitioner was served with a Show Cause Notice dated 24th March, 2014 under Section 72 of the NDMC Act. He submits that at the time when the notice dated 24th March, 2014 was issued, the existing RV was Rs. 16,44,400/-, whereas, the provisional proposed RV was Rs. 1,22,41,100/-.

7. It is further submitted that the said Show Cause Notice dated 24th March, 2014 was decided subsequently, *vide* an Assessment Order dated 31st January, 2024, issued by the respondent-NDMC, wherein, the existing RV was revised to Rs. 1,22,41,100/-, with effect from 1st April, 2013.

8. Pursuant to the aforesaid Assessment Order dated 31st January, 2024, passed under Section 72 of the NDMC Act, a demand was raised *vide* property tax bills dated 15th February, 2024, 1st June, 2024 and 28th May, 2025.

9. Learned Senior Counsel appearing for the petitioner submits that the petitioner has already filed an appeal against the Assessment Order dated 31st January, 2024 before the Appellate Court being *HTA No. 34/2024*.

10. Attention of this Court has been drawn to the prayer in the said appeal before the Appellate Authority, wherein, the petitioner has prayed for setting aside of the impugned Assessment Order dated 31st January, 2024, issued by the respondent under Section 72 of the NDMC Act, as well as the various property tax bills issued pursuant thereto.

11. It is submitted that in the meanwhile, even before the aforesaid appeal was filed by the petitioner, another Show Cause Notice dated 31st March, 2024 was issued to the petitioner by the respondent-NDMC under Section 72 of the NDMC Act. The said impugned notice proposed to further increase the RV from Rs. 1,22,41,100/- to Rs. 1,86,17,200/-, with proposed effective date from 1st April, 2023.

12. Learned Senior Counsel appearing for the petitioner avers that when the earlier RV, as fixed *vide* Assessment Order dated 31st January, 2024, i.e., Rs. 1,22,41,100/-, has already been challenged, and is subject matter of appeal before the Appellate Authority, issuance of another Show Cause Notice dated 31st March, 2024 for further increase in the RV, is not proper.

13. He further submits that since the petitioner has already challenged the RV fixed by the NDMC to the tune of Rs. 1,22,41,100/-, the petitioner cannot be made liable to pay the bills dated 15th February, 2024, 01st June, 2024 and 28th May, 2025.

14. He submits that the said bills, as raised by the respondent-NDMC, are again on the basis of the RV which is already subject matter of the aforesaid appeal before the Appellate Authority.

15. Thus, he submits that no further action can be taken by the NDMC on the basis of these bills, as an appeal is already pending against them.

16. Learned Senior Counsel appearing for the petitioner further relies

upon judgment in the case of ***Ved Marwah and Others Versus New Delhi Municipal Council and Others, 2018 Volume 6 Ad (Delhi) 562***, and in particular, relies upon Paras 1, 14 and 17 of the said judgment.

17. He, thus, submits that since the Assessment Order dated 31st January, 2024, has already been challenged and is subject matter of the pending appeal before the Appellate Authority, subsequent bills in question dated 15th February, 2024, 1st June, 2024 and 28th May, 2025, cannot be enforced by the respondent-NDMC for the time being.

18. *Per contra,* learned counsel appearing for the respondent-NDMC, on advance notice, submits that the subsequent Show Cause Notice dated 31st March, 2024, as issued by the NDMC, was issued prior in time to the appeal having been filed by the petitioner.

19. He, thus, submits that there was no bar to issuance of the said show cause notice dated 31st March, 2024. Learned counsel further draws the attention of this Court to Section 72 of the NDMC Act, to submit that property tax for each year is separate. Therefore, the NDMC is within its authority, as per law, to issue fresh Show Cause Notice under Section 72 of the NDMC Act.

20. Learned counsel for the respondent further submits that the said Show Cause Notice dated 31st March, 2024, has been issued for the Assessment Year 2023-2024, i.e., subsequent years not forming part of the previous notice.

21. He further draws the attention of this Court to Para 6 of the Show Cause Notice dated 31st March, 2024, to submit that the amendment in the Assessment List is proposed on the basis of comparable rent, i.e., escalation of 15% after every three years.

22. It is further submitted that as regards the three bills, dated 15th February, 2024, 01st June, 2024 and 28th May, 2025, the same are already subject matter of the appeal, i.e., *HTA No. 34/2024*, filed by the petitioner herein.

23. Learned counsel appearing for the respondent-NDMC further relies upon the judgment dated 22nd November, 2023 in the case of ***V.P. Aggarwal Versus New Delhi Municipal Corporation, 2023 SCC OnLine Del 7505***, passed by the Division Bench of this Court to submit that the reason for the delay in finalization of the Assessment List has to be seen by the Court.

24. Thus, he submits that the petitioner cannot seek any blanket order on the basis of the judgment in the case **of *Ved Marwah Versus New Delhi Municipal Corportion (Supra).***

25. Having heard learned counsels appearing for the parties, this Court is of the view that since an appeal being *HTA No. 34/2024* has already been filed by the petitioner challenging the Assessment Order dated 31st January, 2024, the impugned bills, as raised by the respondent-NDMC on the basis of the said Assessment Order dated 31st January, 2024, shall be subject to the outcome of the afore-noted appeal pending before the Appellate Authority.

26. As regards the Show Cause Notice dated 31st March, 2024 issued by the respondent-NDMC for the Assessment Year 2023-2024, this Court directs that any action by the NDMC, in pursuance of the said Show Cause Notice, shall be subject to the outcome of the appeal filed by the petitioner, i.e., *HTA No. 34/2024*.

27. Needless to state, the petitioner shall continue to pay the property tax as per the previous RV of Rs. 16,44,400/-, till the disposal of the appeal, i.e., *HTA No. 34/2024*.

28. However, it is clarified that all rights and contentions of the parties are kept open, including, the plea of the petitioner as regards it being a charitable organization.

29. With the aforesaid directions, the present petitions along with the pending applications, are accordingly, disposed of.

MINI PUSHKARNA, J

JULY 4, 2025
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