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

+ W.P.(C) 10068/2025 & CM APPL. 41821/2025, CM APPL. 41822/2025

UNION OF INDIA

.....Petitioner

Through: Mr. Om Prakash, SPC with Mr. Nitish Pande, Ms. Swati Mishra, Mr. Manuj Gautam, Mr. Avnish Kumar, Ms. Sachita Pandey, Mr. Sarthak, Advocates  
Email: [advmanujgautam@gmail.com](mailto:advmanujgautam@gmail.com)  
Mob: 9871433036

versus

MUNICIPAL CORPORATION OF DELHI & ANR. ....Respondents

Through: Mr. Tushar Sannu, SC for MCD with Mr. Parvin Bansal, Advocate and Mr. Bhupinder, Officer of MCD  
Mob: 9911991166  
Email: [adv.tusharsannu@gmail.com](mailto:adv.tusharsannu@gmail.com)

**CORAM:**

**HON'BLE MS. JUSTICE MINI PUSHKARNA**

**ORDER**

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**17.07.2025**

1. The present writ petition has been filed on behalf of the Northern Railways, Delhi Division, praying for quashing of the Distress Warrant dated 2<sup>nd</sup> July, 2025, issued by the respondent no. 2, i.e., Assessment and Collection Department, Municipal Corporation of Delhi ("MCD"), thereby, attaching a sum of Rs. 14,84,61,840/-, on the ground of non-payment of service charges for the Assessment Year 2023-2024 and 2024-2025.
2. By way of the present writ petition, the petitioner has further challenged the Demand Notice dated 12<sup>th</sup> March, 2025 issued by respondent no. 2, by which the petitioner has been asked to deposit the property tax,



which as per the petitioner, is contrary to the mandate of Article 285 of the Constitution of India.

3. Learned counsel appearing for the petitioner relies upon the judgment in the case of *Rajkot Municipal Corporation & Ors. Versus Union of India, Civil Appeal Nos. 9458-9463/2003*, wherein, it had been categorically directed that the Union of India (“UOI”) and its departments will pay service charges for the services provided by the respective Municipal Corporations.

4. Thus, it is submitted that the action taken by the MCD, is not as per law.

5. Learned counsel appearing for the petitioner further relies upon the Office Memorandum (“OM”) dated 15<sup>th</sup>/17<sup>th</sup> December, 2009, issued by the Ministry of Urban Development, UOI, which reads as under:

No. N-11025/26/2003-UCD  
Government of India  
Ministry of Urban Development  
UCD/LSG Section

Nirman Bhawan,  
New Delhi dated 15<sup>th</sup> December 2009

**OFFICE MEMORANDUM**

Subject: Payment of service charges to local bodies in respect of Central Government properties – Supreme Court Order in Civil Appeal No.9458-63/2003 -Rajkot Municipal Corporation & Others Vs. UOI & Others.

The undersigned is directed to state that the Hon'ble Supreme Court vide its order dated 19.11.2009 disposed of the Civil Appeal No.9458-63/2003 - filed by Rajkot Municipal Corporation & Others Vs. UOI & Others (copy enclosed) relating to payment of service charges by Central Government Departments to Urban Local Bodies, with the following directions:-

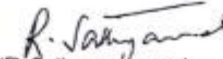
- (1) The UOI & its Departments will pay service charges for the services provided by appellant Municipal Corporations. No Property Tax will be paid by UOI but service charges calculated @ 75%, 50% or 33 1/3% of Property Tax levied on property owners will be paid, depending upon utilization of full or partial or Nil services. For this purpose agreements will be entered into UOI represented by concerned Departments with respective Municipal Corporation.
- (2) The arrangement at (1) is open to modification or revision by mutual consent. In the event of disagreement, the same shall be resolved by a 3 member Mediation Committee consisting of one representative of Central Government, a representative of concerned Municipal Corporation & a senior representative (preferably the Secretary in charge of Department of Municipal administration) of the State of Gujarat.
- (3) In the event of any Department or Railways owning a property changes the Agreement unilaterally or fails to reach settlement through Mediation Committee, the concerned Municipal Corporation could take such action as it deems fit by approaching Courts/Tribunals for reliefs.
- (4) The Municipal Corporations shall not resort to coercive steps (such as stoppage of services) nor resort to revenue recovery proceedings for recovery of service charges from UOI or its Departments.
- (6) The services payable by UOI shall not be more than the service charges paid by State Government for its properties. Wherever exemptions or concessions are granted to the properties belonging to the state government, the same shall also apply to the properties of Union of India.



(6) If Railways do not abide by the instructions of Ministry of Finance as contained in the 4 circulars dated 10.5.1954, 29.3.67, 28.5.1976 and 26.8.1986 and general consensus set out above, it is open to Municipal Corporation to take suitable action as is permissible in Law.

2. All State Governments have been requested to note the above orders of Supreme Court and advise their Urban Local Bodies in regulating the payment of service charges in respect of Central Government properties in terms of the above judgement. In this connection, it is stated that the arrangement mentioned in point (2) above of para 1 is specific to the State of Gujarat and State Governments have been requested to consider appropriate dispute resolution mechanism in respect of their States.

3. The above orders of Supreme Court are hereby brought to the notice of all Ministries/Departments of Central Government with the request to issue necessary instructions to the concerned authorities under their administrative control for suitable compliance with regard to regulating of service charges payable by UOI & its Departments to the Urban Local Bodies for their properties.

  
(R. Sathyanarayanan)  
Under Secretary to the Government of India  
Ph. 23061072

To

1. All Ministries/Departments of Central Government
2. DG(W), CPWD, MOUD.

Copy forwarded for kind information to:-

1. Sr.PPS to Secretary (UD)
2. P.S. to Addl. Secretary & all Jt. Secretaries of MOUD
3. P.S. to Director (LSG)/Dir.(UD)
4. Guard file/spares.

6. By referring to the aforesaid OM, learned counsel appearing for the petitioner submits that no property tax is payable by the UOI, but only service charges calculated @ 75%, 50% or 33 1/3% of the property tax levied on the property owners, depending upon utilization of full or partial or nil services.

7. Thus, he submits that as per the aforesaid OM, issued by the Ministry of Urban Development, Government of India, an agreement will be entered into by the UOI and the respective Municipal Corporation, for the aforesaid purpose.

8. Thus, learned counsel appearing for the petitioner submits that the Northern Railways, Delhi Division, is ready to enter into an agreement with the MCD in terms of the aforesaid OM.

9. Learned counsel appearing for the petitioner submits that the Senior Divisional Engineer-III is the officer, who can meet the concerned officials of the MCD, for the purposes of entering into an agreement, in this regard.



10. Responding to the present petition, learned counsel appearing for the respondents submits that full amount in terms of Notice of Demand dated 12<sup>th</sup> March, 2025, i.e., Rs. 14,84,61,840/-, already stands recovered by the MCD from the Northern Railways, Delhi Division, by way of an attachment.

11. He has handed over a copy of the receipt by which the said amount already stands recovered by the respondents.

12. He further submits that the Northern Railways, Delhi Division, is bound to make the payment towards the service charges and, in case, the requisite amount is not deposited by the petitioner towards the service charges, in terms of the OM dated 15<sup>th</sup>/17<sup>th</sup> December, 2009, the MCD is within its authority to take suitable action, as permissible in law. Thus, he submits that all the actions taken by the MCD are in accordance with law and within the authority of the MCD.

13. He also draws the attention of this Court to the letter dated 28<sup>th</sup> March, 2025 submitted by the Northern Railways, Delhi Division to the respondents, wherein, the Northern Railways, Delhi Division, has stated as follows:

“xxx xxx xxx

*In view of the above, you are requested to review outstanding demand notice and to resolve pending disputes through mutual consent or through 3 Member Mediation Committee as per MoUD OM dated 15-17/12/2009 (annexure-C), if deemed fit. It is also requested to execute the requisite MOA/Agreement to enable this office for timely processing of service charge dues and till such time MCD may not resort to coercive steps (such as stoppage of services) nor resort to revenue recovery proceedings in terms of clause (4) of MoU dated 15-17/12/2009 please.*

xxx xxx xxx”

14. At this stage, learned counsel appearing for the petitioner submits that the petitioner is ready to take steps for the purposes of entering into an agreement with the MCD in order to enable the Northern Railways, Delhi



Division for timely processing of the service charges dues.

15. Considering the submissions made before this Court, the following directions are issued:

- I. Senior Divisional Engineer-III of the petitioner shall visit the Joint Assessor and Collector, Assessment and Collection Department (GRP) Cell, MCD, D-1 Block, 14<sup>th</sup> Floor, Dr. SPM Civic Centre, New Delhi – 110002, at mutually convenient date and time, which shall be indicated by the MCD to the Northern Railways, Delhi Division.
- II. The parties shall endeavour to resolve the issue and shall endeavour to arrive at an agreement in terms of the OM, issued by the Ministry of Urban Department, Government of India dated 15<sup>th</sup>/17<sup>th</sup> December, 2009.
- III. The Northern Railways, Delhi Division, is directed to bring forth all the requisite records and documents, as may be required by the MCD for this purpose, including, any specific details of the properties as may be sought by the MCD.
- IV. In case of any dispute that remains pending between the parties with regard to service charges payable by the Northern Railways, Delhi Division to the MCD, the petitioner shall be at liberty to seek its remedies, in accordance with law.

16. With the aforesaid directions, the present petition, along with the pending applications, is accordingly disposed of.

**MINI PUSHKARNA, J**

**JULY 17, 2025**

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