2026:JHHC:9600

IN THE HIGH COURT OF JHARKHAND AT RANCHI
W.P. (C) No. 4278 of 2018
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(1) Union of India through The Divisional Railway Manager (Engg.) Chakradharpur viz. Shri. Anop Patel S/O Gopal Singh Age- 35 Yrs. R/O Qtr.No-A/48 Officers Qtr., P.O. + P.S. Chakradharpur, Dist- West Singhbhum, Jharkhand.
(2) Union of India through The Divisional Engineer Chakradharpur viz. Shri Deepak Kumar S/O Babulal Prasad Age-28 Yrs. R/O Qtr.No-A/39, P.O.- + P.S.-Chakradharpur, Dist- West Singhbhum, Jharkhand **.... Petitioner(s).**

Versus

1. The state of Jharkhand through the secretary, Urban development and housing department, 4th floor, Project building, Dhurwa, P.O.- Dhurwa, P.S.- Jagarnathpur, Dist: Ranchi, Jharkhand
2. Chakradhar Municipality through its executive officer, P.O.+ P.S.- Chakradharpur, Dist: West Singhbhum, Jharkhand
3. Executive officer, Chakradhar Municipality, P.O.+ P.S.-Chakradharpur, Dist: West Singhbhum, Jharkhand **… Respondents.**

CORAM : SRI ANANDA SEN, J.

For the Petitioner(s) : Mr. Prashant Pallav, ASGI
Mr. Ayush, AC to ASGI
For the State : Ms. Rishi Bharti, AC to AAG-III
For the Resp. Nos.2 & 3 : Mr. Anil Kumar, Advocate

12/ 06.04.2026: Heard the learned counsel for the petitioner-Union of India, learned counsel for the State and learned counsel for the respondent Nos.2 and 3.

2. The petitioner-Union of India is aggrieved by the order of assessment of holding tax in respect of the properties of the Union of India.

3. Vide Memo No.1334 dated 17.07.2018 (Annexure-6), the respondents have directed the petitioner-Union of India to fill up the self-assessment (SAF) form for the purpose of collecting holding tax in respect of the properties of South Eastern Railway, Chakradharpur Division.

4. Mr. Prashant Pallav, learned ASGI appearing on behalf of the petitioner-Union of India submits that in terms of Article 285 of the Constitution of India, the Union of India is exempted from payment of tax, thus, the imposition of such levy of holding tax is absolutely bad.

5. Counsel appearing on behalf of the respondent-Chakradharpur Municipality by referring to paragraph-11 of the counter affidavit submits that though in Annexure-6 demand of holding tax has been raised but in fact

it is a service charge not a holding tax.

6. After hearing the learned counsel for the parties and going through the impugned order which is at Annexure-6 of the writ petition, I find that it clearly and specifically states that the demand which has been raised is of holding tax. In this context paragraph-11 of the counter affidavit is also needs to be quoted hereinbelow, which reads as under:

> *"11. That with respect to the facts contained in paragraph no.4(i), it is humbly submitted that the legal question raised by the petitioner is irrelevant as the respondent authorities is not demanding holding tax, the respondent authority is demanding service charge as per the rules of the state of Jharkhand. It will be relevant to mention here that the respondents issued the notice to the petitioner for demand of service charge not Holding Tax on the basis of Rule 4(viii) of Jharkhand Municipal Property Tax (Assessment, Collection and Recovery) Rule, 2013 over the Railway premises."*

7. Thus, from the submission of the respondent-Municipality made in the counter affidavit one can understand that the municipality is not claiming holding tax rather is claiming service charge. Thus, on the own saying of the respondents, whereby specifically holding tax has been demanded, the impugned order at Annexure-6, cannot be sustained. Accordingly, Annexure-6 is hereby **set-aside**.

8. The matter is remitted to the respondent-Chakradhar Municipal Corporation to raise a fresh demand of service charge for the service, which they have provided.

9. It is made clear that the Municipal authorities are entitled to levy service charges from the Union of India.

10. The demand will be raised within two months giving details of the calculations mentioning the nature of service, which they are providing/ intend to provide, the Union of India thereafter will disburse the said amount to the Municipality.

11. With the aforesaid observations and directions, this writ petition is disposed of.

(ANANDA SEN, J.)

6th April, 2026
Madhav/-
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