IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 10594 OF 2026

Koti Vidya Charitable Trust ...Petitioner

Vs.

Gram Panchayat Sapgaon through
its Sarpanch and Others ...Respondents

Mr. Shekhar Jagtap a/w. Ms. Sairuchita Chowdhary i/b. J. Shekhar Associates, for the Petitioner.

Mr. Mohit A. Singh, for Respondents No.1 and 2.

Ms. Kavita N. Solunke, Addl. G.P., for Respondents No.5 and 6 / State.

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CORAM : R. I. CHAGLA AND
FIRDOSH P. POONIWALLA, JJ.

DATED : 17th AUGUST, 2026

P.C.:-

1. Rule. Rule is made returnable forthwith. Heard finally by consent of the parties.

2. This Petition has been moved on the ground of urgency in view of Demand Notice dated 4th August 2026 whereby demand has been raised of an amount of Rs.1,08,68,676/- alleged to be payable to Respondent Nos.1 and 2 towards Gharpatti / Property Tax in respect of Petitioner's educational premises.

3. Mr. Jagtap, the learned Counsel appearing for the Petitioner, has referred to the earlier Demand Notice dated 20th July 2026 issued by Respondent No.2 on behalf of Respondent No.1 imposing a demand of Rs.1,50,46,014/-, which is the subject matter of challenge in an Appeal which has been preferred by the Petitioner under Section 124(5) of the Maharashtra Village Panchayat Act, 1959. It is his submission that inspite of the Appeal having been filed challenging the said Demand Notice, the Respondents, without deciding that Appeal, have issued the impugned Demand Notice dated 4th August 2026 by which the said amount of Rs.1,08,68,676/- has been demanded as Gharpatti / Property Tax and cautioned the Petitioner that, unless the same is paid on or before 19th August 2026, the building of the Engineering College of the Petitioner will be sealed. Mr. Jagtap has also referred to the Government Resolution dated 31st December 2015, wherein under Rule 7(4), the lands and buildings have been exempted from the levy of taxes under sub rule (1) of Rule 7, particularly where the portion of the said lands and buildings is used for classroom, library, laboratory, office, playground, auditorium i.e. for educational purposes. He has submitted that, inspite of the aforesaid, the Demand Notice has been issued levying tax in respect of lands and buildings for educational purposes. This is the subject matter of the Appeal which has been preferred by the Petitioner under Section 124(5) before the Panchayat Samiti, Zilla Parishad, Thane. He has submitted that, without

deciding that Appeal, the impugned Demand Notice dated 4th August 2026 could not have been issued.

4. Mr. Mohit Singh, the learned Counsel appearing for Respondent Nos.1 and 2, has submitted that the Petitioner-Trust has not paid the Ghatpatti / Property Tax in respect of the said premises since 2023. He submitted that without applying for stay in the Appeal preferred by the Petitioner from the Demand Notice dated 20th July 2026, the Petitioner is now seeking to challenge the Demand Notice dated 4th August 2026 which merely demands the principal amount of Rs.1,08,68,676/- payable towards Ghatpatti / Property Tax. He submitted that the said Demand Notice has been rightly issued and that the Petitioner is required to pay the said Ghatpatti / Property Tax which has been outstanding since 2023.

5. Having considered the submissions, and particularly taking note of the fact that the Petitioner-Trust has filed an Appeal challenging the Demand Notice dated 20th July 2026 issued by Respondent No.2, on behalf of Respondent No.1, imposing a demand of Rs.1,50,46,014/-, which, according to the Petitioner, has been imposed without taking into consideration Rule 7(4), and particularly the Explanation thereto, of the Maharashtra Village Panchayats Taxes and Fees (Amendment) Rules, 2015, we are of the view that the subsequent Demand Notice dated 4th August 2026 has been wrongly issued inspite of the pending Appeal.

6. We accordingly consider it appropriate in these circumstances

to set aside the Demand Notice dated 4th August 2026 and direct Respondent No.4 to decide the pending Appeal preferred under Section 124(5) of the Maharashtra Village Panchayat Act, 1959, expeditiously, and in any event, within a period of three weeks from the date of this Order.

7. The Rule is made absolute in the aforesaid terms. The Writ Petition is disposed of. However, there shall be no order as to costs.

[FIRDOSH P. POONIWALLA, J.] [R.I. CHAGLA, J.]