**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**
****

201 **CWP-13250-2009**
Date of Decision: 24.02.2026

PUNJAB ALKALIES & CHEMICALS LIMITED ...Petitioner

Vs.

MUNICIPAL COUNCIL, NAYA NANGAL AND OTHERS …Respondents

**CORAM:- HON'BLE MR. JUSTICE JAGMOHAN BANSAL
HON'BLE MR. JUSTICE AMARINDER SINGH GREWAL**

Present:- Mr. Arun Nehra, Advocate and
Mr. Sant Kashyap, Advocate for the petitioner

Mr. Arvind Mittal, Advocate,
Mr. Sarvjeet Singh Thakur, Advocate and
Mr. Jaivir Singh, Advocate
for the respondent.

Mr. Arun Jindal, Addl. A.G. Punjab
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JAGMOHAN BANSAL, J. (ORAL)

1. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking setting aside of assessment order (Annexure P-8) passed by Municipal Council whereby Municipal Council has included value of foundation of machinery in the value of building.

2. The petitioner is a public limited company engaged in the business of manufacturing of caustic soda and other inorganic products. It constructed factory premises in 1984. It was exempted from house tax for three years under Punjab Municipal Act, 1911 (for short '1911 Act'). The respondent vide order dated 21.02.1987 assessed petitioner's house tax liability. The petitioner without objection deposited assessed liability up to

2001. The assessment order of 1987 was challenged before this Court, however, not with respect to quantum of tax. The petitioner preferred appeal in 2001 before Appellate Authority which dismissed the same on the ground that there is no assessment order and appeal is filed against demand notice. The petitioner preferred revision before Government. Its revision came to be dismissed on the ground that foundation of machinery is part of building/factory, thus, value of foundation would be included in annual value.

3. Learned counsel for the petitioner submits that value of foundation of machinery cannot be included in the value of building. Foundation of any machine forms part of that very machine. The respondent has wrongly included value of foundation of machinery in the value of building. The petitioner preferred *CWP-9915-1992* before this Court assailing assessment order dated 21.02.1987 whereby house tax was assessed. The petitioner also assailed orders passed by higher authorities. This Court vide judgment dated 09.05.2025 has set aside order dated 21.02.1987 and directed competent authority to re-examine the matter and undertake a fresh determination of the annual value of the petitioner's premises.

4. Learned counsel for the respondent submits that petitioner never assailed assessment order dated 21.02.1987. The petitioner for the first time in 2001 assailed inclusion of value of foundation of machinery in the annual value of the building. The petitioner could not challenge demand notice without challenging assessment order. The definition of '*building'* as per Section 3(2) of 1911 Act is exhaustive. It includes factory. Any kind of work whether masonry, bricks, wood, mud forms part of building and has to be included in the annual value.

5. On being asked, learned counsel for the respondent expressed his inability to controvert that respondent has not filed intra court appeal against aforesaid judgment dated 09.05.2025 passed by this Court.

6. Having heard the arguments and considered the documents on record, we are of the considered opinion that matter needs to be remanded to competent authority as assessment order dated 21.02.1987 which was foundation of demand for subsequent years stands set aside by this Court. The petitioner would be at liberty to raise question raised herein before authorities at the time of framing assessment as per directions of this Court in *CWP-9915-1992*.

7. Disposed of in above terms.

8. Pending application(s), if any, stands disposed of.

(JAGMOHAN BANSAL)
JUDGE

(AMARINDER SINGH GREWAL)
JUDGE

February 24, 2026
Deepak DPA

Whether Speaking/reasoned Yes/No
Whether Reportable Yes/No