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

201 **CWP-4519-2006**
Date of Decision: 29.01.2026

DIWAN CHAND GARG ...Petitioner

Vs.

MUNICIPAL CORPORATION AND ORS. …Respondents

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

Present:- Mr. Rishabh Gupta, Advocate
for the petitioner

Mr. Sanjeev Soni, Advocate with
Mr. Sarthak Soni, Advocate
for respondents-Municipal Corporation

***

<u>JAGMOHAN BANSAL, J. (ORAL)</u>

1. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking setting aside of order dated 17.12.2004 and 23.11.2005 whereby respondent has assessed rental value of his house to the tune of Rs.1,08,000/- p.a.

2. The petitioner is owner of House No.4697 situated at Old Hospital Street, Bathinda. The property comprises ground and first floor. First Floor is occupied for the purpose of residence and ground floor is let out. The respondent issued notice dated 08.10.2004 proposing total rental value of the property Rs.1,20,000/- p.a. The assessed value after deduction was determined Rs.1,08,000/-. Annual house tax was assessed Rs.16,200/-. The petitioner filed objections and respondent vide order dated 17.12.2004 upheld annual rental value as proposed in the show cause notice. The petitioner unsuccessfully preferred appeal.

3. During the course of hearing, learned counsel for the Municipal Corporation produced calculation dated 19.01.2026 disclosing that respondent for the period from 2004-05 to 2012-13 has assessed house tax to the tune of Rs.1,45,800/-. The petitioner during said period has deposited Rs.7,290/-.

4. Learned counsel for the petitioner claims that after 2012-13, the property was subjected to property tax instead of house tax. As per his instructions, the demised property is subjected to property tax to the tune of Rs.5,000/- p.a. The petitioner has already sold demised property after seeking NOC from Municipal Corporation.

5. Learned counsel for the respondents submits that petitioner has not sold property after obtaining NOC from Corporation whereas he has transferred demised property in favour of his wife and son and that too without NOC. The rental value was assessed keeping in mind rent actually fetched by adjoining properties. The property in question comprises 180 sq. yards. The said property is used for commercial purpose, thus, respondent has rightly assessed rental value. The State Government vide notification dated 15.05.2025 in exercise of power conferred by Section 71 of Punjab Municipal Act, 1911 framed policy whereby exemption from interest and penalty was granted who deposited principal amount in lump sump by 31.07.2025. Whosoever deposited principal amount after 31.07.2025 but before 31.10.2025 was entitled to waiver of 50% of interest and penalty. The petitioner did not avail benefit of said notification.

6. Faced with this, learned counsel for the petitioner submits that petitioner did not avail benefit of said notification because there was stay in his favour. He may be granted an opportunity to deposit principal amount

subject to waiver of interest and penalty.

7. The petitioner approached this Court in 2006. This Court while issuing notice of motion vide order dated 27.03.2006 stayed recovery of enhanced amount. The petitioner continued to pay liability as assessed by him. As per respondent, liability of principal amount from 2004-05 to 2012-13 comes to Rs.1,45,800/-. The petitioner has already deposited a sum of Rs.7,290, thus, outstanding liability comes to Rs.1,38,510/-. The respondent has calculated interest and penalty besides fire cess.

8. In the wake of statement of learned counsel for the petitioner as well as afore-stated amnesty scheme introduced by respondent, we deem it appropriate to grant an opportunity to petitioner to deposit house tax plus fire cess i.e. Rs.1,45,436/- on or before 01.03.2026. If he deposits aforesaid amount by said date, there would be no liability of interest and penalty.

9. Disposed of in above terms.

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

(JAGMOHAN BANSAL)
JUDGE

(AMARINDER SINGH GREWAL)
JUDGE

January 29, 2026
Deepak DPA

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