HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT TAX No. - 4336 of 2026

M/S Annapurna Textiles Pvt. Ltd.

.....Petitioner(s)

Versus

State Of U.P. And 4 Others

.....Respondent(s)

Counsel for Petitioner(s) : Vedant Agarwal
Counsel for Respondent(s) : Gyanu Shukla, C.S.C., Manoj Kumar Singh

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Court No. - 39

HON'BLE SAUMITRA DAYAL SINGH, J.
HON'BLE SWARUPAMA CHATURVEDI, J.

1. Heard Shri Rahul Agarwal, Senior Advocate, assisted by Shri Vedant Agarwal, learned counsel for the petitioner, Shri Gyanu Shukla, learned counsel for the Nagar Nigam.

2. Present repetition has been filed for the following relief:

> *"(1) Issue a writ, order or direction in the nature of Certiorari quashing and setting aside the impugned order dated 29.09.2026 (received on 08.10.2026) (Annexure-1 to the writ petition) passed by the Chief Tax Assessment Officer, Prayagraj Nagar Nigam (respondent no. 4);*
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> *(ii) Issue a writ, order or direction in the nature of Mandamus directing the respondents to recalculate the amount of payable pending house tax demand under the OTS Schemedated 20.07.2026 after adjusting theamount of Rs. 20 lakhs already paid by petitioner towards the principal sum of pending/arrears of house taxto enable the petitioner to avail the benefit of the OTSScheme floated by the respondents;"*

3. Reliance has been placed on the terms of the Government Order No. 931 dated 20.07.2026. In material part, with which we are concerned, the said Government Order reads as below:

> "**विषय-** प्रदेश के समस्त नगरीय निकायों में लम्बित सम्पत्ति कर (गृहकर/जलकर/सीवरकर) की वसूली हेतु एकमुश्त समाधान योजना (*OTS*) लाये जाने/लागू किये जाने के संबंध में।
>
> महोदय,
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> प्रदेश के नगरीय निकायों में सम्पत्ति कर (गृहकर /जलकर/सीवरकर) के बकाये की प्रभावी वसूली, करदाताओं को

व्यावहारिक राहत प्रदान करने, न्यायालयीय वादों में कमी लाने तथा नगरीय निकायों की वित्तीय स्थिति को सुदृढ़ करने आदि उद्देश्यों हेतु उत्तर प्रदेश नगर निगम अधिनियम, 1959 की धारा 221(3) तथा उत्तर प्रदेश नगर पालिका अधिनियम, 1916 की धारा 157(3) में विहित प्राविधानों के अन्तर्गत राज्य सरकार द्वारा सम्यक विचारोपरान्त प्रदेश के समस्त 762 नगरीय निकायों (17 नगर निगम, 200 नगर पालिका परिषद तथा 545 नगर पंचायत) में सम्पत्ति कर (गृहकर / जलकर/सीवरकर) के बकायेदारों हेतु निम्नानुसार एकमुश्त समाधान योजना (*OTS)* लागू किये जाने का निर्णय लिया गया

1. **योजना का क्षेत्राधिकार-** राज्य स्तर पर समस्त नगरीय निकायों में एकरूप संपत्ति कर (गृहकर/जलकर/सीवरकर) पर एकमुश्त समाधान योजना (*OTS)* लागू होगी।

2. **योजना का स्वरूप-** योजना के अन्तर्गत ब्याज/सरचार्ज पर शत-प्रतिशत छूट अनुमन्य होगी। नियमानुसार अधिरोपित ब्याज/सरचार्ज की धनराशि पर छूट तभी प्राप्त होगी, जब सम्पूर्ण बकाये की धनराशि का भुगतान संबंधित बकायेदारों द्वारा कर दिया जायेगा।

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5. **किस्तों में भुगतान की सुविधा**- करदाताओं को राहत प्रदान करने तथा राजस्व संग्रह में गति लाने के उद्देश्य से एकमुश्त समाधान योजना (*OTS)* के अंतर्गत संपत्ति कर (गृहकर, जलकर एवं सीवर कर) की बकाया धनराशि के भुगतान हेतु अधिकतम तीन किस्तों की सुविधा प्रदान की जायेगी। उदाहरार्थ यदि ओ.टी.एस. में संपत्ति कर की अवशेष बकाया धनराशि रु. 1,00000 (एक लाख) हो, तो उक्त धनराशि का 1/3 भाग, योजना लागू होने की तिथि से 30 दिन में और अवशेष 2/3 भाग, 02 मासिक किस्तों में 02 माह में जमा करना होगा। इस प्रकार आवेदक को योजना के अंतर्गत देय संपूर्ण धनराशि का भुगतान योजना लागू होने की तिथि से अधिकतम तीन माह की अवधि के भीतर अनिवार्य रूप से पूर्ण करना होगा। इससे करदाताओं पर एकमुश्त वित्तीय भार कम होगा तथा नगरीय निकायों को बकाया राजस्व की प्रभावी एवं समयबद्ध वसूली सुनिश्चित हो सकेगी।"

4. Consistent to the above Government Order, the Nagar Nigam has also issued certain public notices. Accordingly, individual demands have been raised. Petitioner has been given choice to deposit the entire amount of property tax assessed for the duration - 2013 till 2026 quantified at Rs. 72,08,629/- with further option to pay up the amount with three installments of Rs. 24,02,876/-. each.

5. The grievance of the petitioner is, the Nagar Nigam is not allowing the petitioner adjustment of Rs. 20,00,000/-, deposited by it, in terms of the interim order passed in the earlier writ petition filed by the petitioner, challenging the assessment of house tax liability being Writ - C No. 17331 of 2016.

6. In such facts, we had required both writ petitions to be listed today after obtaining nomination from Hon'ble The Chief Justice. Accordingly, the

matters are listed today.

7. At the outset, we had required the learned counsel for the petitioner to take a stand if the petitioner would withdraw writ petition being Writ - C No. 17331 of 2016. The answer is in the negative. Submission is, in absence of any clause in the Government Order, dated 20.07.2026 requiring the petitioner to withdraw any earlier litigation, it survives to the petitioner, to seek a conditional settlement with the Nagar Nigam by depositing the One Time Settlement (in short 'OTS') amount, subject to outcome of the earlier writ petition, in favour of the petitioner.

8. Thus, in other words, the petitioner contends that it has two opportunities. One, to seek a provisional settlement of property tax with the Nagar Nigam, by abiding by the terms of the Government Order dated 20.07.2026. Even if such settlement is granted, it may remain open to the petitioner to press the earlier writ petition being Writ - C No. 17331 of 2016. Subject to that writ petition being allowed, the petitioner would be entitled to refund of the amounts deposited under the Government Order dated 20.07.2026.

9. On the other hand, learned counsel for the Nagar Nigam and learned Standing Counsel would contend, by very nature, OTS may be granted, by way of permanent resolution of the dispute between the petitioner and the Nagar Nigam, with respect to assessment of property tax. It inheres in in the character of the OTS that the amount deposited towards settlement may remain unconditional. If the petitioner were to press the earlier writ petition being Writ - C No. 17331 of 2016, there may exist no settlement, in the meantime.

10. Before we proceed to consider the merits of the issue, we may also note, the prayer made in the earlier writ petition being Writ - C No. 17331 of 2016. It reads as below:

> *"(a) declare Section 174(1)(a) of the U.P. Municipal Corporation Adhiniyam, 1959 as illegal and arbitrary;*
>
> *(b) declare Rules 4, 4-A and 4-B of the Municipal Corporation Property Taxes) Rules, 2000 (as amended in 2013) as arbitrary, illegal and also ultra-vires the provisions of the U.P. Municipal Corporation Adhiniyam, 1959;*

(c) Issue a writ, order or direction in the nature of certiorari quashing the list determining the minimum monthly rent for various locations as finalized by the Municipal Commissioner, Allahabad w.e.f. 01.04.2011;

(d) Issue a writ, order or direction in the nature of Certiorari quashing the demand dated 09.02.2016 (Annexure-7 to this writ petition) and the order dated 30.03.2016 (Annexure-9 to this writ petition) rejecting the objection raised by the petitioner to the demand of house tax made by the Allahabad Nagar Nigam."

11. Thus, challenge has been raised, both to the validity of the laws as also to the order dated 30.03.2016 rejecting the objections raised by the petitioner to the demand of property tax dated 09.02.2016. The writ Court has entertained the writ petition and by detailed interim order dated 06.05.2016 passed therein, it has been provided as below:

"Considering the facts and circumstances of the case, until further orders of this Court, effect and operation of the impugned demand notice dated 09.02.2016 (Annexure '7' to the writ petition) shall remain stayed subject to the conditions that petitioner deposits a sum of Rs.2,00,000/- (Rupees two lacs) towards house tax within a period of two weeks from today. In case of default, the stay order shall stand automatically vacated. "

12. In compliance to that order, the petitioner has been depositing Rs.2,00,000/- per annum for the last 10 years. Thus, an amount of Rs.20,00,000/- is lying in deposit by way of compliance with the condition of the interim order towards property tax liability.

13. Insofar as the present writ petition is concerned, as extracted above, in the opening paragraph of the Government Order, the background facts and the decision of the Government have been narrated to the effect- to provide effective recovery of property tax dues; while allowing practical relief to the taxpayers; to reduce pendency of cases in courts and to strengthen the financial condition of the Municipal Corporations, the Government has taken a decision to introduce the One-Time Settlement scheme. Therefore, it cannot be successfully maintained that it is not the object of the Government Order to reduce pendency of Court cases. Also, one of the objectives appears to be providing for effective recoveries of tax dues.

14. Seen in that light, Clause 2 of the said Government Order provides the

scope of the scheme as recovery of entire property tax dues, while giving relief towards payment of interest and surcharge. Further, Clause 5 provides for opportunity of payment through installments.

15. That being the scope of the scheme in the backdrop of the object stated in the opening paragraph of the Government Order dated 20.07.2026, it is difficult to accept the submission advanced by learned Senior Counsel for the petitioner on the strength of an unconnected Government Order dated 16.10.2026 providing for a similar One-Time Settlement regarding entry tax and other tax liabilities, under various taxation enactments, excluding property tax. Learned Senior Counsel for the petitioner may be entirely right that under that scheme there is a specific clause providing for withdrawal of pending litigation by the petitioner-applicant under the One Settlement Scheme for which purpose, it has been specifically provided that any person desirous of taking benefit of that scheme must, opt to "not press" his pending litigation. However, merely because a similar clause does not find mention under the Government Order dated 20.07.2026, it may not be successfully contended that therefore, withdrawal of pending litigation (involving the dispute to determine the property tax), is not a condition precedent to seek benefit of the One-Time Settlement scheme.

16. Besides the general purpose stated in paragraph No.1 of the Government Order, to the extent, the scope of the scheme envisages grant of benefit of waiver of interest in surcharge only, subject to payment of entire tax dues by the property owners, intrinsic evidence exists that that settlement may be made, only where the tax dues are paid out.

17. Also, it is for the creditor/here State to offer the terms of settlement, in such matters. In absence of any other clause or provision that the amount deposited may remain subject to pending litigation and it being an object of the scheme to reduce the litigation, to accept the submission advanced would be to allow room for self-conflicting clauses to arise in a One-Time Settlement scheme.

18. Though there is no statutory law governing issuance of such One Time Settlement schemes, at the same time, it is in the nature of things

that a Court must be circumspect in accepting such submissions advanced. Once demands have been created and they are outstanding either with or without litigation, the introduction of a One-Time Settlement scheme, is a golden handshake offered to persons against whom such demands exist. To the extent, benefit of waiver of interest and surcharge is directly built in the scheme of that is the only concession that may be granted, subject to demand of entire tax dues being paid, without any other clause to allow such deposits to be made provisionally, and in absence of anything else required to done to avail benefit, we read the scheme to be such that the amounts waiver of surcharge and interest would arise on its own force, subject to payment of the entire principal amount within the time stipulated.

19. As to the alternative prayer that the amount of Rs.20,00,000/- deposited by the petitioner in terms of the interim order has to be adjusted, submission advanced is near perfect. Any amount deposited pending litigation in terms of the interim order is a conditional deposit. If the petitioner seeks to avail the benefit of the OTS scheme, he may only be required to deposit the balance amount over and above Rs.20,00,000/- lying in deposit with the respondent Nagar Nigam. We clarify, if the balance amount is deposited within time, it would result in final settlement of the dues without any liberty to press the Writ-C No.17331 of 2016, insofar as it relates to past dues. To that extent, the communication dated 29.09.2026, insofar as it refuses to grant the benefit of adjustment of the conditional deposit of Rs.20,00,000/- made by the petitioner during pendency of the Writ-C No.17331 of 2016, is quashed.

20. With the observations made above, the present petition stands **disposed of**.

(Swarupama Chaturvedi,J.) (Saumitra Dayal Singh,J.)

November 6, 2026

Anurag/-

Digitally signed by :-
ANURAG JAISWAL
High Court of Judicature at Allahabad