

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
CIVIL APPEAL Nos.7514-7515 OF 2010

FOOD CORPORATION OF INDIA

... APPELLANT

Versus

MUNICIPAL CORPORATION BILASPUR & ANR.

... RESPONDENTS

O R D E R

1. Heard learned Senior counsel appearing on behalf of the appellant as also learned counsel appearing on behalf of the respondents at a considerable length and carefully perused the material placed on record.

2. The controversy in the instant case pertains to levy of property tax by the respondent - Municipal Corporation on the property, which is in the possession of the appellant - Food Corporation of India (for short, 'the FCI').

3. It is an undisputed fact that there are total 10 godowns, out of which 8 godowns have been constructed by the FCI and 2 godowns though not constructed by FCI but are in their possession. Hence, it is fairly conceded that the respondent - Corporation is liable to levy the property tax *qua* the area of land occupied by those 8 godowns. As regard to godown Nos. 1 and 2, the respondent - Municipal Corporation has taken the following factual stand in para No.3.4 of its counter affidavit, which reads as follows:-

"3.4 That as per the agreement, on 31.03.2006 the area Manager of the Petitioner Corporation, himself submitted the calculation of the property tax only of FCI constructed Godowns. It is pertinent to mention here that there are total 10 Godowns and out of 10 Godowns, 8 Godowns have been constructed by the FCI and 2 Godowns though not constructed by FCI, but are in their possession, however, it is humbly submitted that, the Answering Respondent has already left 2 Godowns and has not raised any tax against these 2 godowns, but has raised property tax against rest 8 godowns, which have been constructed by the FCI and the Officers of the FCI, have also submitted the calculation sheet of the property tax before the Answering Respondent on 31.03.2006 vide their letter dated 31.03.2006. A copy of the letter dated 31.03.2006 along with the calculation sheet of the property tax of the self-assessment from 1987-88 to 1996-97 and 1997-98, are herewith marked and annexed collectively as Annexure-R/3.

It is submitted that the Petitioner/corporation are very much aware of the fact that the property belongs to corporation, however, it is humbly submitted that, this factual material has never been disclosed by the petitioner/corporation in this Special Leave Petition. That, after receiving of the letter of the petitioner/corporation dated 31.03.2006 regarding calculation of the property tax, the answering Respondent vide letter dated 20.04.2006, informed the Area Manager of petitioner/corporation Bilaspur regarding the calculation of the property tax and also submitted the calculation sheet of the property tax. Thereafter the answering respondent vide letter dated 16.01.2007 further requested the petitioner/corporation for depositing the property tax."

4. It is also not in dispute that the total area of godown Nos.1 and 2 where the land is owned by the Union of India comes to 64,666.75 sq.ft. No property tax is leviable in respect of the aforesaid area of 2 godowns in view of Article 285 of the Constitution of India. This principle has been well crystallised by a coordinate Bench of this Court in Food Corporation of India vs. Brihanmumbai Mahanagar Palika, (2020) SCC Online SC 1105.

5. In this view of the matter, it is clarified and directed that the respondent - Corporation shall not be entitled to levy any property tax in respect of the area measuring 64,666.75 sq.ft. occupied by Godown Nos.1 and 2 where the land is owned by the Union of India. If any tax has been levied or collected *qua* this area, the same shall be adjusted against the future liability.

6. If there is any other parcel of land owned by the Union of India, which is being subjected to levy of property tax, the appellant - FCI may furnish the records in respect thereto and on doing so, the respondent- Municipal Corporation shall be obliged to examine that issue in the light of the judgment cited above, and pass an appropriate order within eight weeks.

7. The appeals stand disposed of in the above terms.

.....J.
(SURYA KANT)

.....J.
(M.M. SUNDRESH)

NEW DELHI;
OCTOBER 13, 2022.

ITEM NO.6

COURT NO.16

SECTION IV-C

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Civil Appeal No(s).7514-7515/2010

FOOD CORPORATION OF INDIA

Appellant(s)

VERSUS

MUNICIPAL CORPORATION BILASPUR & ANR.

Respondent(s)

WITH

SLP(C) No.24609/2017 (XV)

Date : 13-10-2022 These appeals were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE SURYA KANT
HON'BLE MR. JUSTICE M.M. SUNDRESH

For Appellant(s) Mr. Gourab Banerji, Sr.Adv.
 Mr. Ajit Pudussery, AOR
 Mr. Vijayan K., Adv.

For Respondent(s) Dr. Manish Singhvi, Sr.Adv.
 Mr. Arpit Prakash, Adv.
 Mr. Vikalp Sharma, Adv.
 Mr. Sandeep Kumar Jha, AOR

Mr. Akshat Shrivastava, Adv.
Mr. Nirbhay Singh, Adv.
Mr. Satvic Mathur, Adv.
Ms. Manjeet Kirpal, AOR

Mr. Padmesh Mishra, Adv.
Mr. Bani Dikshit, Adv.
Mr. Akshit Pradhan, Adv.
Mr. Amrish Kumar, AOR

Mr. Ashok Panigrahi, Adv.

UPON hearing the counsel the Court made the following
O R D E R

Civil Appeal No(s).7514-7515/2010

The appeals stand disposed of in terms of the signed order.

SLP(C) No.24609/2017

Learned Senior counsel appearing on behalf of the petitioner seeks and is granted two weeks' time to place on record an affidavit along with some additional documents.

Post the matter for hearing on 02.01.2023.

Needful be done, in the meantime.

(SATISH KUMAR YADAV)

DEPUTY REGISTRAR

(Signed order in C.A.Nos.7514-7515/2010 is placed on the file)

(PREETHI T.C.)

COURT MASTER (NSH)