(1999) 08 MP CK 0013

In the Madhya Pradesh High Court

Case No : Writ Petition No. 4198 of 1996 (J)

Northern Coalfields Ltd. APPELLANT

Vs

State of M.P. and Another RESPONDENT

Date of Decision : 23-08-1999

Acts Referred:

Constitution of India, 1950 — Article 226, 285
Madhya Pradesh Municipal Corporation Act, 1956 — Section 136(a)

Citation : (2000) 1 MPJR 62

Hon'ble Judges : S.P. Khare, J

Bench : Single Bench

Advocate : P.S. Koshi, for the Appellant; S.L. Saxena, Advocate For Respondent No. 2 Ku. Tanu Tandon, Panel Lawyer For State, for the Respondent

Final Decision : Dismissed

Judgement

S.P. Khare, J.

This is a petition under Article 226 of the Constitution of India challenging the notices dated 14.8.1996 and 22.8.1996 demanding property tax under the provisions of the M.P. Municipal Corporation Act, 1956 (hereinafter to be referred to as the Act).

The Petitioner is a Government Company and a subsidiary of Coal India Limited. It is not "Union of India" within the meaning of Article 285 or Section 136(a) of the Act. In Western Coalfields Limited v. Municipal Council, Birsinghpur, Civil Appeal No. 6734-A of 1983 by judgment dated 12.1.1999, it has been held by the Supreme Court that all the property has vested in the Petitioner Company. The Appellant as a company is a legal entity. It holds its property in its own right and for itself. It is not holding the property on behalf of Union of India. The Petitioner Company is liable to pay property-tax under the M.P. Municipalities Act, 1961. The decision in Municipal Commissioner of Dum Dum Municipality and Others Vs. Indian Tourism Development Corporation and Others, has been relied upon in which it was held that a Government Company or a Corporation created under a statute is a distinct juristic entity owning its own properties and having its own fund. The property vested in it is no longer the property of the Union of India for the purpose and within the meaning of Article 285 of the Constitution of India. It cannot claim immunity from payment of property-tax. The levy of property taxes by the relevant municipal bodies is unexceptionable. As a matter of fact, this question had been settled long back by the Supreme Court in Western Coalfields Limited Vs. Special Area Development Authority, Korba and Another, in which it was held that even though the entire share capital of the companies has been subscribed by the Government of India, it cannot be predicated that he Companies themselves are owned by the Government of India. The Companies which are incorporated under the Companies Act have a corporate personality of their own, distinct from that of the Government of India. The lands and buildings are vested in and owned by the Companies. These are not exempted from payment of property-tax u/s 136 of the Act. No other point was raised at the time of hearing of this petition.

The petition is dismissed.

