CGHC010112512021 2026:CGHC:33325

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

WPC No. 2390 of 2021

1 - Riverdale World School Through Its Director, Shri Akshat Goyal, S/o Late Anup Kumar Goyal, Mahasamund, Chhattisgarh., District : Mahasamund, Chhattisgarh

... Petitioner

versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Urban Administration And Development, Mahanadi Bhawan, Naya Raipur, Raipur , Chhattisgarh., District : Raipur, Chhattisgarh

2 - Municipal Council Mahasamund, Through Chief Municipal Officer, District - Mahasamund, Chhattisgarh., District : Mahasamund, Chhattisgarh

... Respondents

For Petitioner(s)	: Mr. Soumitra Kesharwani, Advocate
For Respondent No.1/State	: Mr. Malay Jain, Panel Lawyer
For Respondent No.2	: None.

Single Bench : Hon'ble Shri Justice Parth Prateem Sahu

Order on Board

31.07.2026

1. The petitioner has filed this petition seeking for the following relief(s):-

> "**i**. To call for the entire records of the case;
>
> **ii** To kindly quash the demand notice dated 23.01.2021 and declare such notice as illegal and without authority of law as the Petitioner institution is not liable for payment of property tax in accordance with the provisions of Chhattisgarh Municipalities Act, 1961;
>
> **iii** To kindly make any other order that may be deemed fit and just in the facts and circumstances of the case including awarding of the costs to the Petitioner."

2. Learned counsel for the petitioner submits that the petitioner is a private co-educational school affiliated with the Central Board of Secondary Education (CBSE) on 05.09.2019 and is run by Riverdale Foundation, a company incorporated under Section 7 of the Companies Act, 2013. He further contended that respondent No. 2/Municipal Council has issued property tax recovery notice dated 23.01.2021 for recovery of Rs. 30,808/- for the financial year 2020-21. He contended that the Municipal Council can levy tax under Section 127 of the Municipalities Act, 1961. He would further submit that, under the provisions of Section 127A(2)(c), educational institutions of the Government of India, State Governments, Nagar Panchayats, as the case may be, and educational institutions registered under Section 12AA of the Income Tax Act, 1961 (in short 'Act of 1961') and run by registered charitable trusts are exempt from payment of property tax,

whereas other educational institutions may be granted a rebate of up to 50% of the property tax as assessed by the Council or Nagar Panchayats. Petitioner is registered under Section 12AA of the Act of 1961; hence, the petitioner is exempt from the payment of property tax. He also pointed out that Respondent No.2, in its reply/return, has admitted that the petitioner had submitted the order of registration under Section 12AA of the Act of 1961 before the Council on 09.09.2020. However, in the reply, it is only stated that, at the time of submitting the self-assessment and representation, petitioner had not submitted the order of registration under Section 12AA.

3. Learned counsel for the State submits that the grievance of the petitioner is against Respondent No.2, for whom he is not appearing.

4. I have heard counsel for the parties and perused the documents placed on record.

5. The case was earlier listed on 27.04.2026, on the said date, no representation was made on behalf of Respondent No. 2. Further, from a perusal of the order sheet dated 28.07.2026, it is evident that no one appeared on behalf of Respondent No. 2, and today also, there is no representation on behalf of Respondent No. 2.

6. From perusal of the reply/return submitted by Respondent No.2. would show that the Respondent No.2 had admitted the order of Registration of the petitioner under Section 12AA of the Act of

1961 and the relevant Paragraph of the reply is extracted below for ready reference :-

> ***“6.*** *Since, in view of the order for registration under Section 12AA of the Income Tax Act, 1961 dated 09.09.2020 submitted by the petitioner as Annexure P/4, the petitioner is eligible for exemption from the property tax. It is respectfully submitted that, at the time of submitting self assessment and representation the petitioner had not submitted such documents before the answering respondent No.2 as such in absence of such documents the answering respondent No. 2 had issued the impugned demand notice dated 23.01.2021 (Annexure P/1). The respondent No. 2 has not committed any wrongful action as alleged by the petitioner. The instant petition is devoid of merits and liable to be dismissed.”*

7. From perusal of the reply of Respondent No.2 is it apparent that though the order of registration of the petitioner under Section 12AA is accepted, however, the benefit of exemption has not been extended to the petitioner only on the ground that the said document is not submitted along with the self-assessment and representation of the petitioner.

8. The stand taken by Respondent No.2 that, since the order of registration under Section 12AA of the Act of 1961 was not

submitted along with the self-assessment and representation, no exemption can be granted, is not sustainable. The relevant consideration would be whether, for the period in respect of which the property tax has been levied, the petitioner was registered under Section 12AA of the Act of 1961 or not.

9. In the aforementioned facts and circumstances of the case, I find it appropriate to dispose of this petition with a direction to the petitioner to submit a fresh representation before Respondent No.2 against the recovery notice dated 23.01.2021 (Annexure P/1), pleading all the relevant facts and enclosing all the necessary documents. If such a representation is submitted, Respondent No.2 shall consider and decide the same in accordance with law, keeping in mind the provisions of Section 12AA of the Act of 1961.

10. The petitioner shall submit the representation within a period of **three weeks** from today. If such a representation is submitted, Respondent No.2 shall consider and decide the same within a further period of **four weeks** thereafter. If Respondent No.2 comes to the conclusion that the petitioner is entitled to exemption, an appropriate order to that effect shall be passed.

11. Till a decision is taken on the representation to be submitted by the petitioner, no coercive steps shall be taken against the petitioner pursuant to the recovery notice dated 23.01.2021 (Annexure P/1).

12. Accordingly, this petition is disposed of with the aforementioned directions as well as the observations.

Certified Copy as per rules.

Sd/-
(Parth Prateem Sahu)
Judge

Saxena