

Commissionerate of Municipal Administration, Chennai-5

CIRCULAR

Roc. No. 60804/2005/R1

Date : 14.10.2005.

Sub: Property tax – Municipalities and Municipal Corporations
– levy of property tax for Public Sector Company under
Government of India – instructions issued – Regarding.

During the monthly review meeting conducted with Regional Directors of Municipal Administration and Commissioners of Corporations (except Chennai) on 26.09.2005, it is informed that Bharat Sanchar Nigam Ltd, the telecom company of Government of India is not paying property tax on the ground that the Company belongs to Government of India.

Kind attention of all Executive Authorities are drawn to the notes on Article 285 of the **Constitution of India**, wherein it is stated that property owned by Union Government company or a statutory Corporation, which has a corporate personality of its own, cannot be said to be “property of the Government of India” and may, therefore, be liable to State or Municipal Taxation. (Ref: IAAI v Municipal Court, AIR 1991 Del 302 paragraph 35)

Hence, all the Commissioners of Municipalities and Corporations are instructed to take action to assess the property owned by statutory corporations like Bharat Sanchar Nigam Limited, Bharat Heavy Electricals Limited, Indian Airlines etc. for levy of property tax as they cannot claim exemption on the ground that their properties Central Government concerns.

Sd/- Ambuj Sharma,
Commissioner of Municipal Administration.

To

All Municipal Commissioners,
All Corporation Commissioners

Copy to : All Regional Directors of Municipal Administration.

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Superintendent.