



RSA-910-1996 (O&M)

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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

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RSA-910-1996 (O&M)
Reserved on:-10.12.2025
Pronounced on:- 11.12.2025
Uploaded on:-11.12.2025

*Whether only operative part of the judgment is
Pronounced or the full judgment is pronounced:*

operative part/full judgment

Municipal Committee, Sangrur

....Appellant

VERSUS

Ranbir Singh and Another

....Respondents

CORAM : HON'BLE MS. JUSTICE MANDEEP PANNU

Present: Mr. Rakesh Nagpal, Advocate for the appellant.

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MANDEEP PANNU, J.

1. Present regular second appeal has been filed by the defendant-appellant against the judgment and decree dated 15.11.1995 passed by the learned District Judge, Sangrur, whereby the judgment and decree dated 30.04.1994 passed by the trial Court, was set aside.

Brief Facts

2. Briefly stated, the plaintiffs, Ranbir Singh and his co-plaintiff, are the claimed owners of Municipal Property Unit No. B-5/424, situated in Prem Basti within the Municipal Limits of Sangrur. After the death of Baldev Singh, the property was partitioned among the plaintiffs, who have been in occupation and collecting rent from four shops forming part of the said property.

3. The grievance of the plaintiffs is that the Executive Officer, Municipal Committee, Sangrur, vide orders dated 19.12.1989 and 19.12.1991, wrongly and



illegally assessed the rental value/house tax of the property, and that such assessment was made jointly, without following the mandatory procedure prescribed under the Punjab Municipal Act, 1911, the East Punjab Urban Rent Restriction Act, and the rules governing assessment of house tax.

4. It is their case that the Committee passed the impugned orders without affording any proper opportunity of hearing and without considering the fact that the property was more than 40 years old at the time of assessment. They further asserted that a notice under Section 49 of the Municipal Committee Act was served, but no reply was furnished by the Committee. An earlier appeal preferred by the plaintiffs before the Deputy Commissioner, Sangrur, against the initial assessment order dated 19.12.1989, was also dismissed without adequately examining the facts.

5. The plaintiffs alleged that the Municipal Committee was not competent to levy house tax, as the property is situated in the area of Prem Basti, and according to them, Prem Basti was not a fully served area, hence not eligible for such levy. The plaintiffs thus sought a declaration that the impugned assessment orders were illegal, void, arbitrary, and not binding upon them, along with a consequential relief of permanent injunction restraining the Committee from recovering the assessed tax.

6. In the written statement filed by the defendant–Municipal Committee, it was pleaded that the property in question, Unit No. B-5/424, stands in the name of Baldev Singh son of Madan Singh, as per the Municipal records, and nowhere in the records is it shown that, after the death of Baldev Singh, Ranbir Singh became



the owner of the said property. It was asserted that the plaintiffs had no locus standi to challenge the assessment orders.

7. The defendants further contended that the assessment of house tax had been made strictly in accordance with law and as per the procedure prescribed under the Punjab Municipal Act, 1911. They submitted that no illegality was committed by the Committee in finalising the rental value of the property, and the orders dated 19.12.1989 and 19.12.1991 were duly passed by the competent authority. It was also claimed that the Committee had taken up the legal objection that the Civil Court has no jurisdiction to entertain such matters because assessment of house tax falls within the exclusive domain of the statutory authorities under the Municipal Act.

8. It was additionally pleaded that the earlier assessment was duly finalised after issuing a notice, Ex.D1, on 22.08.1980, and thereafter the Committee reconsidered the matter on various dates, passing decisions reflected in Ex.D3, Ex.D4, Ex. D5, Ex.D6 and Ex. D7. The defendants also asserted that, as per the Municipal record, Baldev Singh was the recorded owner, and that the property comprised four shops and a residential unit, all assessable for house tax. According to the Committee, the shops were situated on the main road, justifying the assessed rental value.

9. The Committee denied that any illegality or procedural irregularity had occurred and contended that the plaintiff had already availed the statutory remedy of appeal before the Deputy Commissioner, which was dismissed. Hence, the civil suit was not maintainable. The defendants further pleaded that the plaintiffs had not come to the court with clean hands.

**Findings of the trial Court**

10. The Trial Court concluded that the assessment of house tax carried out by the Municipal Committee was validly made in accordance with the provisions of the Punjab Municipal Act, and that the plaintiffs had already availed the statutory remedy of appeal before the Deputy Commissioner, who upheld the assessment. Holding that the Civil Court had no jurisdiction to entertain a challenge to an assessment order passed under the Municipal Act, the Trial Court dismissed the suit, observing that the plaintiffs had failed to establish any illegality, procedural violation, or excess of authority on the part of the Committee that would justify interference by a Civil Court.

Findings of the lower Appellate Court

11. The Lower Appellate Court reversed the finding of the Trial Court on the question of jurisdiction and held that the jurisdiction of the Civil Court to try the suit is not barred. The appellate court held that the plaintiffs had succeeded in proving that the Municipal Committee had not acted in accordance with law while determining the rental value, as the Committee considered the construction to be newly built and the shops to be located on a main road without any supporting material. The court further found that the Committee failed to prove that proper notices were served on the plaintiffs before passing the impugned assessment orders.

12. It also held that the Committee failed to produce any evidence to show on what basis the rental value had been fixed or that the earlier objections of the plaintiffs were duly considered. The appellate court noted that the plaintiffs had led evidence showing that the property was more than 40 years old and situated in



an undeveloped area lacking basic amenities. The Municipal Committee did not rebut these facts. The appellate court, therefore, concluded that the assessment orders were arbitrary, not based on any cogent material, and violative of the procedure prescribed by law.

13. On these findings, the Lower Appellate Court allowed the appeal, set aside the judgment and decree of the Trial Court, and decreed the suit in favour of the plaintiffs by declaring the assessment orders dated 19.12.1989 and 19.12.1991 as illegal, invalid, and not binding on the plaintiffs.

14. Aggrieved by the judgment of the lower appellate Court, the defendant-Municipal Committee, Sangrur has filed the present regular second appeal.

Submissions of learned counsel for the appellant.

15. Learned counsel for the appellant submits that the judgment and decree passed by the learned lower appellate Court suffers from illegality. It is contended that the lower appellate Court failed to properly appreciate the evidence on record and has misinterpreted as well as misconstrued the material produced by the appellant. Counsel further argues that the appellate Court overlooked the provisions of Sections 84 and 86 of the Punjab Municipal Act, which clearly bar the jurisdiction of the Civil Court in matters pertaining to municipal taxation. According to him, such disputes can be adjudicated only in accordance with the procedure prescribed under the Punjab Municipal Act.

Findings of this Court

16. After considering the pleadings, evidence, and the statutory scheme of the Punjab Municipal Act, 1911, it is evident that the jurisdiction of the Civil Court



is barred in matters relating to assessment or re-assessment of house tax. Sections 84 and 86 of the Act expressly provide a complete mechanism for challenging an assessment, including a statutory appeal before the Deputy Commissioner, which the plaintiff has admittedly already availed. The Hon'ble Supreme Court in *Munshi Ram vs. Municipal Committee, Chheharta, AIR 1979 SC 1250*, has authoritatively held that where a revenue statute creates a special right and provides a specific remedy in a particular forum, the civil court's jurisdiction is impliedly barred, and grievances relating to assessment must be adjudicated only in the manner prescribed under the Act. Applying this settled principle, the dispute raised by the plaintiff pertains solely to the legality, correctness, and procedure of assessment of house tax, which squarely falls within the exclusive domain of the Municipal Committee and the appellate authority under the Act. The trial Court therefore rightly held that the civil suit is not maintainable for want of jurisdiction, and no ground is made out to take a contrary view.

17. The finding of the lower appellate Court that the jurisdiction of the Civil Court is not barred is patently erroneous and cannot be sustained. The appellate Court failed to appreciate that the controversy in the present case relates exclusively to the assessment, reassessment and levy of house tax, a field which stands completely covered by the special machinery provided under the Punjab Municipal Act, 1911. Sections 84 and 86 of the Act expressly oust the jurisdiction of the Civil Court by necessary implication, as they mandate that grievances against assessment must be adjudicated only through the statutory appellate forum. The Hon'ble Supreme Court in *Munshi Ram's case (supra)*, has categorically held that once a statute creates a special right and provides a special remedy, the

**RSA-910-1996 (O&M)****-7-**

jurisdiction of the Civil Court is impliedly barred. The lower appellate Court overlooked this binding principle and erroneously assumed jurisdiction where none existed. Therefore, its conclusion that the suit was maintainable before the Civil Court is unsustainable in law.

Conclusion

18. For the reasons recorded above, this Court is of the considered view that the learned Lower Appellate Court erred in law in holding that the Civil Court had jurisdiction to entertain the present suit and in setting aside the well-reasoned judgment of the Trial Court. The findings of the Trial Court on the issue of jurisdiction were fully justified in view of the statutory bar contained in the Punjab Municipal Act and the binding precedents governing the field.

19. Consequently, the judgment and decree of the Lower Appellate Court cannot be sustained and are hereby set aside. The judgment and decree of the Trial Court are restored. As a result, the present Regular Second Appeal is allowed

20. Pending application(s), if any, also stands disposed of.

December 11, 2025
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(MANDEEP PANNU)
JUDGE

Whether speaking/non-speaking : Speaking
Whether reportable : Yes/No.