

PETITIONER:
SMT. SHYAM KISHORI DEVI

Vs.

RESPONDENT:
PATNA MUNICIPAL CORPORATION & ANR.

DATE OF JUDGMENT:
04/02/1966

BENCH:
SUBBARAO, K.
BENCH:
SUBBARAO, K.
HIDAYATULLAH, M.
BACHAWAT, R.S.

CITATION:
1966 AIR 1678 1966 SCR (3) 466

ACT:
Bihar and Orissa Municipal Act, 1922 (B. & O. Act 7 of 1922), ss. 107(1)(c), 117(1) and 386-supersession of Municipality- Notifications appointing officer to act as Commissioners and as committee-Enhancement of municipal taxes by such officer and sitting in review as Committee-Validity-Incorrect assessment, burden of proof of.

HEADNOTE:
On supersession of the Patna Municipality, the State Government by a notification directed an officer of the Municipality to exercise and perform the powers and duties of the Commissioner under s. 107 of the Bihar and Orissa Municipal Act, 1922. Under s. 117 every application presented to the Commissioners for review of an assessment or valuation had to be heard and determined by a Committee consisting of two Commissioners, two tax-payers and a Deputy Magistrate as provided in the section. By a later notification, the Government directed each of the three persons mentioned therein one of whom was the aforesaid officer, to exercise and perform the powers and duties conferred and imposed on Committee constituted under s. 117 of the Act. Pursuant to these notifications, the said officer enhanced the valuation of the holding of the appellant and the assessment thereof under s. 107(1)(c) of the Act and rejected the review petition under s. 117(1) of the Act. The appellant filed a suit challenging the validity of the order of the officer.

HELD : (i) The order of the officer rejecting the objections filed by the appellant and enhancing the value of the holdings was without jurisdiction.

By a later Notification, if it was intended to 'replace the committee by one or other of the three persons mentioned therein, it would be beyond the powers of the Government conferred under the provisions of s. 386(1) (b) of the Act. The effect of this clause is that all the powers and duties of the Commissioners conferred and imposed on them under the various sections of the Act whether acting in committees or individually would be exercised by such person or persons as the State Government may direct. So, the committee under s. 117 could have been constituted with one

or more of the three persons nominated by the Government under s. 386(1) (b) of the Act, and two tax-payers nominated by them and a Deputy Magistrate nominated by the Government. To say that when once the Commissioners vacated their office on supersession it was impossible for them to nominate or elect two other taxpayers to the committee within the meaning of s. 117(1) would render inoperative all sections whereunder powers were conferred or duties imposed on Commissioners, and would make s. 117(1) unworkable leading of the anomaly that the same officer who revised the assessment would sit in judgment over it. [471 0; 472 A-D]

(ii) Under s. 107(1) (c) of the Act, the burden is upon the Commissioners, before they could amend the valuation and assessment already made, to establish that the previous assessment was incorrectly made by reason, of fraud, misrepresentation or mistake. [472 G]

JUDGMENT:

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 812 of 1963.

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Appeal by special leave from the judgment and decree dated September 21, 1959 of the Patna High Court in Appeal from Appellate Decree No. 1766 of 1954.

Ramanugrah and Mohan Behari Lal, for the appellant.

S. P. Varma, for the respondents.

The Judgment of the Court was delivered by

Subba Rao. J. This appeal by special leave raises the question of the true construction of sub-s. (1) of s. 117 of the Bihar and Orissa Municipal Act, 1922 (B. & O. Act 7 of 1922), hereinafter called the Act.

Shrimati Shyam Kishori Devi, the appellant, is the owner of premises known as "Krishna Bhawan" situate on Fraser Road in the Town of Patna. Originally it bore holding No. 239, but after the Patna Municipal Corporation Act, 1952, was passed it was given holding No. 264 in Circle No. 6 of the Patna Municipal Corporation. On August 4, 1944, the Patna Municipality was superseded by the Government initially for a period of three years but the said period was extended from time to time till the Patna Municipal Corporation Act, 1952, came into force. On March 29, 1946, the Government issued a Notification directing that S. N. Sarkar, Assistant Special Officer of the Patna City Municipality, shall also exercise and perform the powers and duties which might be exercised and performed by the Commissioners under s. 107, among other sections, of the Act. On November 21, 1949, the Government of Bihar issued another Notification directing that each of the three officers mentioned therein shall exercise and perform the powers and duties conferred and imposed on a Committee constituted under s. 117 of the Act. One of the said officers was the said S. N. Sarkar, who was also appointed under the earlier Notification dated March 29, 1946, to perform the duties and exercise the powers of the Commissioners.

During the periodical revisional assessment of the year 1950 in regard to the said premises, the valuation thereof was fixed at Rs. 1,800/- and its quarterly municipal taxes at Rs. 146-4-0; but as some additions were made to the said premises, on May 10, 1951, the valuation of the said premises was raised to Rs. 2,400/. and its quarterly municipal taxes were fixed at Rs. 195/-. On November 17, 1951, S. N. Sarkar, the Assistant Special Officer of the Municipality, issued a notice to the owner of the premises

informing her that the assessment of her premises was proposed to be filed as follows : House-tax Rs. 262-8-0, Latrine-tax Rs. 210/- and water-tax Rs. 210/- per quarter under s. 107 of the Act. On December 20, 1952, the appellant filed a petition against the proposed enhancement of taxes before the said Assistant Special

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Officer, but he rejected the petition. Thereafter, the assessment list was amended on January 10, 1952, enhancing the valuation of the holding in question to Rs. 8,400/- and the quarterly municipal taxes to Rs. 682-8-0. Aggrieved by the said order, the appellant filed Title Suit No. 60 of 1952 in the Court of the Third Munsif, at Patna for a declaration that the alteration made by the Assistant Special Officer in the assessment list was invalid and without jurisdiction and that the Municipality was not entitled to realise the enhanced assessment. She also asked for a permanent injunction restraining the Municipality from realising the said enhanced tax from her. To that suit the Patna Municipality was made the 1st defendant and the Administrator of Patna, the 2nd defendant. The learned Munsif held that the order passed by the Assistant Special Officer was valid and dismissed the suit with costs. On appeal, the learned Subordinate Judge, Patna, held that the Assistant Special Officer had no jurisdiction to proceed under s. 107(c) of the Act, as there was no fraud, misrepresentation or mistake when the periodical assessment was made and on that ground, he allowed the appeal and decreed the suit. Thereupon, the respondents preferred a second appeal to the High Court of Patna. A Division Bench of that Court held that after the supersession of the Municipality no committee could be constituted under s. 117 of the Act and that, therefore, the Special Officer, in the absence of any specific machinery to deal with such an application, had perfect jurisdiction to lay out his own machinery to dispose of the same. After holding that the Assistant Special Officer had jurisdiction to dispose of the application for review, the High Court held that it had not been established by the assessee that there was no mistake in the earlier assessment. In the result, the appeal was allowed, the judgment and decree of the learned Subordinate Judge were set aside and those of the trial Court were restored. The assessee has preferred the present appeal by special leave against the judgment and decree of the High Court.

Mr. Ramanugrah, learned counsel for the appellant, argued that the High Court on a wrong construction of the relevant provisions of the Act held that s. 117(i) of the Act had become unworkable and that no committee thereunder could be constituted after the supersession of the Municipality. He further contended that the High Court had thrown the burden of proof wrongly on the appellant but it should have held that it was for the Municipality to establish that there was a mistake, fraud or misrepresentation in making the periodical revisional assessment and that, as there was no material placed by the Municipality before the Court, it should have held that the condition precedent for reopening the earlier assessment had not been fulfilled.

Mr. S. P. Varma, learned counsel for the respondents, in addition to the contentions accepted by the High Court, sought to take

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a preliminary objection that the suit was not maintainable. As this question was not raised in any of the Courts below, we did not permit him to do so.

The first contention turns upon the construction of the relevant provisions of the Act and the Notifications issued by the Government thereunder. It will be convenient at the outset to gather the relevant provisions at one place.

Section 386. (1) When an order of supersession has been passed under the last preceding section, the following consequences, shall ensue :-

(a) all the Commissioners shall, as from the date of the order, vacate their offices as such Commissioners;

(b) all the powers and duties which may, under the provisions of this Act, be exercised and performed by the Commissioners, whether at a meeting or otherwise, shall, during the period of supersession, be exercised and performed by such person or persons as the State Government may direct;

The relevant part of the Notification dated March 29, 1946, reads

in exercise of the powers conferred by clause (b) of sub-section (1) of section 386 of the said Act, the Governor of Bihar is pleased to direct that Babu S. N. Sarkar, Assistant Special Officer of the Patna City Municipality, shall also exercise and perform the powers and duties which may be exercised and performed by the Commissioners under the provisions of sections 102, 105, 107, 111, 116, 122, 124, 125, 126..... The relevant part of the Notification dated November 21, 1949, reads

Governor of Bihar is pleased to direct that each of the,

following officers shall exercise and perform all the powers and duties, conferred and imposed on a Committee constitute

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sections 117 and 118 of the said Act for the purpose of hearing and determining applications for review relating to assessment presented by the tax-payers of the Patna City Municipality, namely :-

1. Mr. Bhubneshwar Pd., Special Officer, I/C Patna

City Municipality.

2. Mr. S. N. Sarkar, Assistant Special Officer, I/C of the Patna City Municipality.

3. Mr. Parmeshwar Dayal, Retired Deputy Magistrate".

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Section 116. (1) Any person who is dissatisfied with the, amount assessed upon him or with the valuation or assessment of any holding, or who disputes his occupation of any holding or his liability to be assessed; may apply to the Commissioners to review the amount of assessment or valuation, or to exempt him from the assessment or tax.

Section 117. (1) Every application presented under the last preceding section relating to assessment made under..... section 107..... shall be heard and determined by a Committee consisting of two Commissioners and two tax-payers of the municipality, nominated or elected in the prescribed manner by the Commissioners at a meeting and one servant of the Government not below the rank of a Deputy Magistrate nominated by the District Magistrate in

this behalf, provided that no Commissioner or tax-payer shall be a member of the Committee appointed to hear applications from the ward for which he was elected and that three members shall form the quorum.

The effect of the relevant provisions in the context of the facts of the case may be stated thus : Where an order superseding a municipality has been passed by the Government, all the Commissioners of the Municipality shall vacate their offices and their powers and duties, whether at a meeting or otherwise, shall be exercised and performed by such person or persons as the State Government may direct. The State Government accordingly issued two Notifications whereunder S. N. Sarkar, Assistant Special Officer of the Patna City Municipality, was appointed to exercise and perform the powers and duties under s. 107 of the Act, among others, and each one of the three persons mentioned in the Notification dated November 21, 1949, to exercise the powers and perform the functions of the Committee under s. 117 of the Act. Pursuant to the said Notifications, S. N. Sarkar, functioning in the place of the Commissioner, enhanced the valuation of the holding of the appellant and the assessment thereof under s. 107(c) of the Act, and rejected the review petition under s. 117(1) of the Act.

The question is whether he could have validly done so. It is not disputed that S. N. Sarkar had jurisdiction to take action under s. 107(c) of the Act, but what is contended is that he had no jurisdiction to dispose of the review petition under s. 117(1) of the Act. If the Committee under s. 117 of the Act could have been validly constituted even after the supersession of the Municipality, S. N. Sarkar would not have jurisdiction to hear the review petition, for under that section it was the function of the Committee to do so. Mr. Varma contends that after the order of supersession passed by the Government, all the Commissioners vacated their offices and thereafter it was impossible for the Commissioners to

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function as members of the Committee or to nominate or elect two other tax-payers to that Committee within the meaning of s. 117(1) of the Act and that, therefore, the Government validly appointed the Assistant Special Officer to exercise the powers and perform the functions of the Committee under the said section. If this construction be accepted all the sections whereunder certain powers were conferred and certain duties were imposed on the Commissioners would cease to be operative after the order of supersession. Only to avoid this contingency s. 386(1)(b) of the Act in express terms says that all the powers and duties which may under the provisions of the Act be exercised and performed by the Commissioners, whether at a meeting or otherwise, shall be exercised and performed by such person or persons as the State Government may direct. The effect of that clause is that all the powers and duties of the Commissioners conferred and imposed on them under the various sections of the Act, whether to act in a body or in committees or individually, would be exercised by such person or persons as the State Government might direct thereunder. If that be the interpretation of s. 386(1), the person or persons appointed by the State Government thereunder would take the place of the Commissioners in the various sections of the Act. So too, in section 117(1) of the Act, which would run thus:

"Every application presented under the last preceding section relating to assessment made under..... s. 117 shall be

heard and determined by a Committee consisting of the person or persons appointed by the Government and two tax-payers of the Municipality nominated by the said person or persons and one servant of the Government not below the rank of a Deputy Magistrate nominated by the District Magistrate in this behalf, provided that no person or persons nominated or tax-payer shall be a member of the Committee appointed to hear applications from the ward for which he was elected and that three members shall form the quorum."

If that be the effect of s. 386 on s. 117, the Committee under s. 117 could have been constituted with one or more of the three, persons nominated by the Government under s. 386(1)(b) of the Act and two tax-payers nominated by them and a Deputy Magistrate nominated by the Government. This construction will give full effect to s. 117 of the Act, whereas the construction suggested by the learned counsel for the respondents and accepted by the High Court would make it unworkable. It is a well-known rule of construction that a court must construe a section, unless it is impossible to do so, to make it workable rather than to make it unworkable. In the words of Lord Bramwell, the words of a statute never should in interpretation be added to or subtracted from, without almost a necessity.

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By the Notification issued by the Government on November 21 1949, if it was intended to replace the Committee by one or other, of the three persons mentioned therein, it would be beyond its, powers conferred under the provisions of s. 386(1)(b) of the Act. Under the said clause, the powers and duties which may under the provisions of the Act be exercised and performed by the Commissioners could be exercised and performed by such person or persons as the State Government may direct. But it does not empower the Government to replace persons or authorities other than Commissioners by persons nominated by it. But the said Notification may be reasonably confined to the scope of the authority of the Government. If so confined, it replaced only the two Commissioners by the person or persons mentioned therein.

The argument of the learned counsel for the respondents, if accepted, would lead to an anomaly. 'Section 117(1) would become unworkable and the same officer who revised the assessment would sit in judgment over it.

For the foregoing reasons we hold that the order made by S. N. Sarkar rejecting the objections filed by the appellant and enhancing the valuation of the suit holding to Rs. 8,400/- and fixing the quarterly municipal taxes at Rs. 882-8-0 was without jurisdiction.

There are also merits in the second contention of the learned counsel for the appellant. The periodical revisional assessment of the premises was made in the year 1950 after making the necessary enquiry. It was altered on January 10, 1951, under s. 107(1)(d), of the Act on the ground that the value had increased by additions made by the owner to the premises. The impugned revaluation of the building and the assessment were made in the year 1952, under s. 107(1)(c) of the Act, which reads

"The Commissioner may from time to time alter or amend the assessment list in any of the following ways :

(c) by enhancing the valuation of, or

assessment on, any holding which has been incorrectly valued or assessed by reason of fraud, misrepresentation or mistake."

Under this section, the burden is certainly upon the Commissioners before they could amend the valuation and the assessment already made to establish that the previous assessment was in-correctly made by reason of fraud, misrepresentation or mistake. The High Court said that not a word had been said in the evidence adduced by the parties that the rental taken into consideration by the Special Officer while making the re-assessment in 1952 did not exist at the time of the periodical revisional assessment. This observation was made on the assumption that the burden was upon the assessee. Indeed, when the appellant filed a petition in

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the suit under Order XI of the Code of Civil Procedure for the discovery of the relevant records of the three assessments and though the learned Munsif made an order directing the Municipality to do so, it failed to produce them. In the circumstances we must hold that the Municipality had not established the precondition for the re-assessment, namely, that the original periodical revisional assessment was vitiated by fraud, misrepresentation or mistake.

In the result, the appeal is allowed, the decree of the High Court is set aside and the suit is decreed with costs throughout.

Appeal allowed.

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