

Food Corporation of India

Vs

Sub-Collector, Narsapur and Others

Civil Appeal No. 8746 of 1995

(D. P. Wadhwa, M. B. Shah JJ)

27.07.1999

JUDGMENT

D. P. WADHWA, J. -

1. Food Corporation of India ("Corporation" for short) is aggrieved by judgment dated 31-10-1989 of the Andhra Pradesh High Court holding that the Corporation is liable to non-agricultural land tax amounting to Rs. 20,994.80 for the fasli years 1384 to 1397. The tax is levied under the Andhra Pradesh Non-Agricultural Lands Assessment Act, 1963 (for short "the Act"). Before the High Court the Corporation had challenged the order of the appellate authority under the Act confirming the demand issued for collection of non-agricultural land tax for 14 years. The demand was raised by Palakole Mandal, West Godavari District, Andhra Pradesh.

2. Two contentions have been raised before us :

(1) the Corporation is exempt from taxation under Article 285 of the Constitution, and

(2) assessment has to be made for each year and Respondent 2 Palakole Mandal could not make assessment for 14 years at one go.

3. The Corporation is constituted by the Food Corporations Act, 1964. In our judgment in Food Corpn. of India v. Municipal Committee, Jalalabad ((1999) 6 SCC 75) we have held that the Corporation cannot claim exemption from taxation under Article 285 of the Constitution.

4. Under Section 3 of the Act for levy assessment on agricultural land has to be for each fasli year. If we look at the order impugned before the High Court confirming the demand for 14 years it is not that assessment was not made for each fasli year separately. It is only the demand which has been raised for 14 years. The High Court has held that what Section 3 of the Act enjoins is that a tax shall be levied and collected at the rate specified for each fasli year and there is nothing to warrant the contention that the demand cannot be made after the expiry of the fasli year to which it relates. The High Court also held that no attempt had been made to say that the claim for tax for any particular year had become barred by time. We do not find error in the reasonings of the High Court.

5. The appeal is accordingly dismissed with costs.