



**MUNICIPAL CORPORATION OF DELHI**  
**ASSESSMENT & COLLECTION DEPARTMENT (H.Q)**  
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Jawahar Lal Nehru Marg, Minto Road  
New Delhi-110002



No. A&C/HQ/2023-24/D- 3240

Dated: 2<sup>nd</sup> Nov, 2023

**CIRCULAR**

**Subject: Prosecution against defaulters of property tax-reg.**

It has been noticed that filing of Property Tax Return is low in Municipal Corporation of Delhi (MCD). The property tax is one of the major sources of revenue to meet the expenditure for the Statutory Functions of Corporation.

2. In order to recover the property tax from defaulters, several measures including attachment of bank account and property U/S 156/446 of DMC Act have been taken by the Department, still there are enough cases where property tax returns are not filed.

3. As per statutory mandate contained in section 152A read with section 467 of the DMC Act, 1957, the defaulters are liable to be prosecuted.

4. Therefore, to ensure timely compliance and curtail tendency to evade property tax payment, it is decided to initiate punitive action against such offenders by way of prosecution under Section 152A read with 467 of DMC Act in cases where amount of tax default is more than 25 lakhs.

5. As per provisions contained in section 152A of the DMC (Amendment) Act, 2003, the concerned Assessing Officer of the Department has to lodge complaints & initiate Prosecution in cases where a person wilfully makes default in payment of property tax or wilfully attempts in any manner whatsoever to evade any tax, including amount of interest due and penalty levied under this Act, or furnishes any wrong information in the return of assessment, or wilfully fails to file in due time the return of property tax, or does not furnish information asked for under any provision of DMC Act.

6. Before initiating prosecution it shall be ensured by the concerned officer that demand bill and notice of demand has also been presented and served (as stipulated u/s 444 of DMC Act).

7. The Assessing Officer must ensure that the proposal is only sent for approval once it satisfies all the criteria stipulated in the checklist. Further, the proposal for prosecution needs approval of Assessor & Collector, MCD and before sending such proposal, the case must satisfy all the criteria as per the checklist (copy enclosed).

8. This is being issued and circulated under the approval of Competent Authority for strict compliance by all concerned.

Encl: As above

*KA.*  
02/11/23  
(Kunal Kashyap, IRS)  
Assessor & Collector, MCD

**Distribution:** All Concerned.

**Copy for kind information to:** Commissioner, MCD

**Checklist for prosecution against Defaulters of payment of property tax of immovable properties in context of recovery of Property Tax arrears.**

The following steps are required to be taken while processing a case for prosecution against defaulters of payment of property tax of immovable properties in context of recovery of Property Tax arrears:-

S.NO.	ACTION TAKEN	Yes/No & PAGE NO.
1.	Is the tax default amount including interest and penalty is more than 25 lakh	Yes/No
	<b>RV METHOD (PRIOR TO 2004)</b>	
2.	Whether assessment has been made prior to the period upto 2004	Yes/No
3.	Demand Bill prior to 2004 for payment of property tax with notices under section 153, 154, 155 & 156 of DMC Act mentioning period with proof of service for which the demand was made.	Yes/No
	<b>UNIT AREA METHOD (POST 2004)</b>	
4.	Whether notice under section 123/A/B/C/D issued to tax payer with opportunity of personal hearing before Assessing Authority.	Yes/No
5.	Whether assessment have been made on merit/Suo-moto under section 123/D and served with demand of property tax alongwith period detail.	Yes/No
6.	Whether notice under section 152 issued to tax payer for payment of tax with proof of service	Yes/No
7.	Whether Warrant of Distress has been issued by way of attachment of bank account of defaulter under Section 156 of DMC Act	
8.	Whether notice u/s 156 read with 446 of DMC Act has been issued for attachment of property If payment is not realized through attachment of bank account,	Yes/No
9.	Whether notice has been served in terms of section 444 "Service of Notice, etc. of DMC Act. If yes, whether proof of same is placed on file.	Yes/No
10.	Copy of notices affixed on the prominent part of the property and thereafter its photographs taken as record for proof by using Geo tagging	Yes/No

**Note:-** In all such cases an assessment order either on merit or Suo-Moto are compulsory placed in the record file/Court file.

**Suggestion:-** Where Assessment Order or demand notice are under challenge before any Court of Law and any interim Order is passed/Stay, the concerned department should refrain from filing prosecution case against the said property.

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02/11/23