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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 26th September, 2025

+ **W.P.(C) 835/2014 & CM APPL. 61847/202**

M/S ARIES DEVELOPERS (P) LTD.

.....Petitioner

Through: Ms. Diya Kapur, Senior Adv with Mr. Aditya Ladha, Mr. Raghav Kumar, Ms. Charu Sangwan, & Mr. Shubham Dayma, advs.

Versus

SOUTH DELHI MUNICIPAL CORPORATIONRespondent

Through: Ms. Sunieta Ojha, Adv. for MCD.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE SHAIL JAIN

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. The present petition has been pending since 2014, and during the pendency of the proceedings, the Municipal Corporation of Delhi has introduced a one-time property tax amnesty scheme titled “*Sumpattikar Niptaan Yojna (SUNIYO)*” (hereinafter “*the SUNIYO Scheme*”). The said Scheme is sought to be availed of in respect of property tax for property situated at Farmhouse no. 8, Khasra Nos.56/22/2, 56/23/2, 71/1/2, 71/2/1 and 71/2/2, Dera Mandi Road, Mandi Village New Delhi
3. The Petitioner has preferred the application being **CM APPL. 61847/2025** seeking adjustment of the sum of Rs.8,25,531/- along with interest. The said amount was deposited by the Petitioner with the MCD, during the pendency of the present proceedings. In order to enable the



Petitioner to avail the benefit of the SUNIYO Scheme the Petitioner prays for the said amount to be adjusted.

4. The present petition has been filed, *inter alia*, challenging the impugned order dated 9th January, 2014 passed by the Municipal Taxation Tribunal, Delhi in ***Appeal No. 2/MTT/2014***. In the said appeal the Petitioner had challenged the order dated 6th December, 2013 issued on 9th December, 2013 passed by the South Delhi Municipal Corporation by which a demand of Rs.19,50,846/- was raised for the period from 01st April, 2004 till 2013 (hereinafter “*the Assessment Order*”).

5. This Assessment Order was challenged by the Petitioner before the MCD Taxation Tribunal which directed payment of the entire disputed amount. The operative portion of the said order reads as under:

“This is a fresh appeal against order dated 6.12.2013 passed by Jt. Assessor & Collector. Be checked and registered.

Present: Sh. Sanjeev Bahll and Sh. Eklavya Bahl Advocates, Ld. Counsel for the appellant.

Ld. Cl. for the appellant submits that appellant is required to deposit tax for base year only as per decision of Hon’ble Supreme Court in Shyam Kishore 48(1992)DLT 277 and Division Bench decision of our own Hon’ble High Court in Gagan Makkar 192(2012)DLT 186. Both the said cases were for pre-amendment period ie., prior to 1.4.2004. After amendment, now there is no base year nor there is any procedure of adopting the previous annual value. Each year's assessment constitutes separate assessment and words “Disputed Amount” used in Section 170(b) DMC Act refers to the entire amount demanded by the respondent and sought to be avoided by the appellant. Thus, the appellant would be required to deposit the amount for all the years.



Anyhow, the Cl. for the appellant pointed out that details of demand placed at page 91 includes amount of interest also. Since the amount of tax on account of difference is yet to be adjudicated, for the time being the appellant can not be required to pay interest amount. To this extent he appears to be correct. Accordingly, it would be sufficient if the appellant deposits the difference amount of Rs 18,01,860/- in compliance of Section 170(6) DMC Act.

The Cl. for the appellant has also pointed out that the respondent has not given an adjustment for the amount already paid by the appellant on covered area such as for the year 2004-05, 2006-07, 2007-08, 2008-09 & 2011-12. Let a report be called from the respondent whether the appellant has deposited any amount of tax on covered area for those years”

6. The said order of the Appellate Tribunal was challenged in the present writ and *vide* order dated 22nd July, 2014 the Court declined to grant any interim relief to the Petitioner against the impugned order. The Petitioner preferred a Letters Patent Appeal being **LPA No. 536 of 2014** against the said order, wherein the following interim order was passed on 26th September, 2014:

“Mr. Gauraang Kanth, Advocate appears on advance notice on behalf of the respondent. To assist this Court and in opposition to the present appeal preferred by the appellant, challenging the impugned order dated 22.07.2014 passed by the learned Single Judge, the learned counsel for the respondent submits that so far as the judgment of the Division Bench of this Court in Gagan Makkar vs. Union of India, 192 (2012) DLT 186 (DB) is concerned, the same deals with Section 169(1) of the Delhi Municipal Corporation Act, 1957, which deals with pre-deposit before filing of the appeal and the said provision by the said judgment has been



held to be unconstitutional and challenge thereto has been made by the respondent before the Hon?ble Supreme Court of India. He further submits that so far as the present matter is concerned, the respondent would rely on Section 170(b) of the Delhi Municipal Corporation Act, 1957 which clearly envisages that the assessee will have to deposit the disputed tax amount before the appeal is finally heard of determined by the Tribunal.

Mr. Sanjiv Bahl, the learned counsel appearing for the appellant submits that he would still place reliance on the judgment of the Division Bench of this Court in Gagan Makkar (supra) to support his contentions raised in the writ petition as well as before this Court.

Before the learned Single Judge, the learned counsel for the appellant had placed reliance upon the judgment of Division Bench in the case of Gagan Makkar (supra) while the learned counsel for the respondent took a stand that the Special Leave Petition is pending against the said judgment before the Hon?ble Supreme Court and in this background, the learned Single Judge felt that it would be appropriate to await the judgment of the Supreme Court. The learned Single Judge also felt inclined not to grant any interim stay and took a view that the Government cannot run merely on bank guarantee and that liquid cash is necessary to run the Government and placed reliance on the judgment of the Supreme Court in the case of Assistant Collector of Central Excise, Chandan Nagar, West Bengal vs. Dunlop India Ltd. and Ors, (1985) 1 SCC 260. The learned Single Judge further observed that after the unit area method was introduced in the MCD areas, the tax burden has come down relatively and is rather reasonable. In this background, a direction was given to the appellant/petitioner to comply with the directions given by the learned MCD Tribunal to deposit the entire tax



amount in terms of the order dated 9.1.2014, passed by the learned Tribunal.

Since the learned counsel appearing for the respondent has taken a stand that the respondent ? MCD will place reliance on Section 170(b) of the Delhi Municipal Corporation Act, 1957 and the judgment of the Supreme Court in the case of Shyam Kishore vs. MCD, therefore, we are of the view that the learned Single Judge may decide the writ petition as expeditiously as his roster permits.

In the meanwhile, we direct the learned Tribunal to adjourn these appeals filed by the appellant to await the outcome of the decision of the learned Single Judge in the writ petition filed by the petitioner. Appellant/petitioner is also directed to deposit 50% of the tax amount in terms of the order passed by the Tribunal within a period of one month from the date of this order. Needless to say that the aforesaid deposit made by the appellant/petitioner shall be subject to the final outcome of the decision of the learned Single Judge.

Parties shall appear before the learned Single Judge on the date already fixed.

With aforesaid directions, the present appeal stands disposed off.

A copy of this order be given dasti to the learned counsel for the petitioner.”

7. Ld. Sr. Counsel, Ms. Kapur appearing for the Petitioner submits that pursuant to the above order in the LPA, the Petitioner had deposited a sum of Rs.8,25,531/- and the adjustment of this amount ought to be granted for availing of the benefit under the SUNIYO scheme. Alternatively, it is submitted by ld. Counsel for the Petitioner that the amount be refunded.



8. The Court has considered the matter. The SUNIYO Scheme has the following two clauses:

“(a) On Payment of Principal amount of property tax for the current year 2025-26 & previous five (5) years (i.e. FY 2025-26 + FYs 2020-21 to 2024-25), all the previous dues prior to the FY 2020-21 including interest and penalty will stand waived off.

[...]

(l) The cases where principal, interest and penalty has already been paid and settled shall not be reopened.”

9. As per the Scheme, the demand in respect of five years and one year, i.e., 2020-21 to 2024-25 and 2025-26 is to be paid by the Petitioner. The amounts which have been demanded for these years, have not been placed on record.

10. Moreover, the amount which has been deposited before the MCD owing to the order in the LPA, is an amount with respect to the period 2004-2013. No decision has been rendered in respect of the said assessment order and it is not clear as to whether the present demand, which the Petitioner intends to deposit includes the said amount or not.

11. In view of this, the Court is not inclined to give any adjustment at this stage. The Petitioner is free to avail its benefits under the SUNIYO Scheme as per the said scheme. If any adjustment is to be sought thereafter, the Petitioner may move a fresh application. No adjustment is being directed at this stage.

12. The application is disposed of in these terms.

13. Ld. Counsel, Ms. Diya Kapur submits that she wishes to withdraw the present writ petition in order to seek the benefit of the SUNIYO Scheme.

14. Accordingly, the present writ petition is dismissed as withdrawn.

15. Hence, the next date of hearing, i.e., 29th October, 2025, stands



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cancelled.

16. The application and the writ petition are disposed of in the above terms.

PRATHIBA M. SINGH
JUDGE

SHAIL JAIN
JUDGE

SEPTEMBER 26, 2025/*pd/msh*