Non-Reportable

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

<u>Civil Appeal No.8906 of 2012</u>

Municipal Corporation
of City of Ahmedabad
Thr. Commissioner ….Appellant

Versus

Asim Chemical Industries
(Now known as Crystal Quinone
Pvt. Ltd. Thr. Its Proprietor) & Anr.
….Respondents

W I T H

<u>Civil Appeal No.8907 of 2012</u>

<u>O R D E R</u>

Both the appeals are concerned with the issue of liability to property tax; whether an allottee can be mulcted with that liability prior to his possession.

2. Learned Senior Counsel for the Municipal Corporation, who is the appellant herein contended that the Court completely misinterpreted Section 140(3) of the Gujarat Provincial Municipal Corporations Act, 1949. Section 140(3) was interpreted to find that no dues of property tax can be levied on the petitioners for more than one year. It is the contention of the Corporation that such restriction does not apply to owners and it applies only to the occupiers.

3. We see from the order that the Corporation's Counsel had conceded before the High Court that the original petitioners before the High Court, i.e. the respondents herein came into possession of the property only on 20.01.1993 and the property tax demanded is from that date i.e. for one year. The impugned order noticed the said concession and hence found the provisions of Section 140(3) did not permit the appellant herein to recover any amount of property tax from the respondents herein remaining due for more than one year.

4. On perusal of the Act of 1949, an 'owner' has been defined as any person who receives the rent of the said premises or who would be entitled to receive the rent thereof and an 'occupier' as a person who for the time being is paying or is liable to pay to the owner the rent of any portion of land. Section 139 which identifies the person who has the liability to pay speaks of various kinds of leases including those from the Government/Corporation etc.

5. In the present case an industrial plot was allotted by the Gujarat Industrial Development Corporation on 07.09.1992 and it was possessed by the petitioner on 20.01.1993. There is no clarity as to whether the persons are inducted as lessees or absolute owners and even if inducted as lessees whether they are permitted to sublet the premises.

6. In the above circumstances, we are of the opinion that the impugned judgment is not liable to be interfered with and the same has to be sustained, but the question of law as to the interpretation of Section 140(3) is kept open. Refund as directed shall be paid with two months from the date of this order.

7. The appeals stand disposed of.

8. Pending application(s), if any, shall also stand disposed of.

.... J.
(J. B. PARDIWALA)

.... J.
(K. VINOD CHANDRAN)

NEW DELHI;
JULY 30, 2026.

ITEM NO.110 COURT NO.6 SECTION III-B

S U P R E M E C O U R T O F I N D I A

RECORD OF PROCEEDINGS

Civil Appeal No(s). 8906/2012

MUN.CORP.OF CITY OF AHMEDABAD THR. COMMISSIONER Appellant(s)

VERSUS

ASIM CHEMICAL INDUSTRIES(NOW KNOWN AS CRYSTAL QUINONE PVT. LTD THR. ITS PROPRIETOR.)AND ANR. Respondent(s)

WITH

C.A. No. 8907/2012 (III-B)

Date : 30-07-2026 This appeal was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE J.B. PARDIWALA
HON'BLE MR. JUSTICE K. VINOD CHANDRAN

For Appellant(s) : Mr. Preetesh Kapur, Sr. Adv.
Ms. Hemantika Wahi, AOR
Ms. Jesal Wahi, Adv.

For Respondent(s) :Mr. T. Mahipal, AOR
Ms. Anushree Prashit Kapadia, AOR
Mr. Pranay Bhardwaj, Adv.
Ms. Pragya Jaishwal, Adv.

UPON hearing the counsel the Court made the following

O R D E R

1. The appeals stand disposed of in terms of the signed order placed on the file.

3. Pending applications, if any, shall stand disposed of.

(SACHIN KUMAR SRIVASTAVA)	**(POOJA SHARMA)**
COURT MASTER (SH)	**COURT MASTER (NSH)**