Commissioner of Income-tax (Exemptions), Hyderabad v. Hyderabad Metropolitan Development Authority (formerly HUDA)

ITTA Nos.19,20,21,24,25,27,28,38,42,44,56,79,80,81,226,229,230,232,235,237 of 2019 and 42 of 2020

Common judgment dated 6 February 2026 | 2026-02-06

Retrospective charitable registration of HMDA: Revenue appeals dismissed.

Income-tax Act, 1961: sections 2(15), 10(20A), 11, 12, 12A and 12AA

Telangana High Court | Division Bench | P. Sam Koshy | Suddala Chalapathi Rao

Assessment years: See original appeal-wise table, PDF pp.4-5; source contains inconsistent year entries

01 FACTS OF THE CASE

The Revenue brought 21 appeals concerning HMDA, formerly HUDA, and registration following withdrawal of the former section 10(20A) exemption. After litigation over delay and a remand, the Commissioner granted registration for certain years. The Tribunal extended relief to earlier years and the period from AY 2009-10. The Revenue questioned retrospective registration and the effect of commercial receipts. The appeal-wise year table must be read in the original because some entries conflict with the narrative.

Source: PDF pp.4-12, paras 3-14

02 DISCUSSION BY THE HON'BLE COURT

The Bench considered the charitable-purpose definition, HMDA's public development functions, the former section 10(20A) exemption and registration under sections 12A/12AA. Its final reasoning accepted application of section 12A(2) while registration proceedings were pending after remand, and upheld the Tribunal's extension of registration. The discussion of receipts and statutory versions contains tensions; the final dismissal must not be converted into an unrestricted exemption for every receipt of every development authority.

Source: PDF pp.12-24, paras 15-30

03 JUDICIAL DECISION

The Court found no error of law or fact in the Tribunal's conclusion and dismissed the entire batch of Revenue appeals. It accepted the justification for registration from an earlier date in the circumstances of HMDA's case.

Source: PDF pp.23-24, paras 29-31

04 OUTCOME / IN WHOSE FAVOUR

All 21 Revenue appeals were dismissed; pending miscellaneous petitions were closed without costs. This records the operative decision on 6 February 2026. A later supplied sheet lists IA1/2026 in the appeals on 29 April 2026, so subsequent procedural status remains unverified.

Source: PDF p.24, paras 31-32; separate proceedings sheet dated 29 April 2026

05 EXPERT COMMENTS

Sections 12A and 12AA: identify the actual registration history — The result concerns the registration proceedings that returned to the authority after remand, not a fresh entitlement asserted without an application. Paragraphs 27-30 support the earlier effective date on this record. Before using the decision, assemble the application, rejection, remand and registration orders and identify the precise years in dispute. Do not treat this judgment as removing all temporal conditions for every trust or institution. (PDF pp.21-24, paras 27-30)

Section 2(15): preserve the tension between receipts discussion and final relief — Paragraph 24 discusses receipts exceeding Rs.25 lakh in exclusionary terms, yet paragraphs 29-31 uphold the Tribunal and dismiss the Revenue appeals. Paragraph 18 also records public development functions and absence of profit distribution. The safe reading states both the reasoning and the operative outcome. It does not establish that government ownership alone neutralises the commercial-activity proviso, or that all receipts automatically qualify for exemption. (PDF p.14, para 18; pp.19-20, para 24; pp.23-24, paras 29-31)

Historical statutory versions require separate checking — The judgment describes the dispute as predating the 2016 amendment but reproduces language including yoga; paragraph 27 quotes clauses tied to provisional registration while discussing the earlier commencement of section 12A(2). The publisher must preserve the original wording and flag the chronology rather than silently rewrite the Court. For another assessment year, check the enacted version and commencement of each applicable provision before relying on the quotation. (PDF pp.12-13, para 16; pp.21-22, para 27)

Do not silently repair the dates, years or section references — The table prints AY 2007-09 for ITTA19/2019 and NA for ITTA42/2019, while the final row is AY2014-15 despite the earlier narrative ending at 2013-14. The application date appears as both 2 and 15 March 2007; delay appears as 1804 and 1084 days. Paragraph 21 prints 1 April 2023 for the omission, whereas other passages say 2003; paragraph 23 refers to section 10(15) amid the section 2(15) discussion. These discrepancies are disclosed without selecting an unsupported replacement. (PDF pp.4-5, 7, 11, 17-19)

One common judgment, 21 appeals and later applications — All 21 docket numbers are retained as connected appeals under this common judgment. The supplied records contain a later common proceedings sheet, not 21 independent merits decisions. That sheet lists IA1/2026 and adjourns for instructions; it does not establish stay, recall or the later disposal. Preserve both source dates and all supplied record identifiers. Do not assign a particular CNR to a particular appeal merely from their order in a list. (PDF pp.1-5, 24; separate proceedings sheet dated 29 April 2026)

Source: PDF pp.21-24, paras 27-30

SOURCE & VERIFICATION

Complete official Telangana High Court common judgment

All 24 pages extracted and read; all pages rendered and visually checked in contact sheet. Covers 21 named appeals. Original later proceedings sheets remain distinct documents.

Open cited source rendition

The judgment describes the dispute as predating the 2016 amendment but reproduces language including yoga; paragraph 27 quotes clauses tied to provisional registration while discussing the earlier commencement of section 12A(2). The publisher must preserve the original wording and flag the chronology rather than silently rewrite the Court. For another assessment year, check the enacted version and commencement of each applicable provision before relying on the quotation. The table prints AY 2007-09 for ITTA19/2019 and NA for ITTA42/2019, while the final row is AY2014-15 despite the earlier narrative ending at 2013-14. The application date appears as both 2 and 15 March 2007; delay appears as 1804 and 1084 days. Paragraph 21 prints 1 April 2023 for the omission, whereas other passages say 2003; paragraph 23 refers to section 10(15) amid the section 2(15) discussion. These discrepancies are disclosed without selecting an unsupported replacement. All 21 docket numbers are retained as connected appeals under this common judgment. The supplied records contain a later common proceedings sheet, not 21 independent merits decisions. That sheet lists IA1/2026 and adjourns for instructions; it does not establish stay, recall or the later disposal. Preserve both source dates and all supplied record identifiers. Do not assign a particular CNR to a particular appeal merely from their order in a list.

STATUTORY SCOPE

Reports the provisions discussed in the judgment; historical statutory quotations have not been independently cleared.

LATER TREATMENT

Source checked 2026-10-23. A supplied later proceedings sheet dated 29 April 2026 lists IA1/2026 in these appeals and adjourns to 4 May 2026. It does not state the applications were decided or that the February judgment was stayed or recalled. Later outcome not verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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