

Ahmedabad Rana Caste Association v. Commissioner of Income Tax, Gujarat

Civil Appeal No. 2146 of 1968 / Civil Appeal No. 2147 of 1968 / Civil Appeal No. 2148 of 1968 / Civil Appeal No. 1284 of 1971 / Civil Appeal No. 1285 of 1971 / Civil Appeal No. 1286 of 1971
[1972] 1 SCR 744 | 1971-09-16

Did the Rana community of Ahmedabad cease to be a section of the public because some resident members were accepted according to caste custom rather than being natives, and what relief followed on the mixed old/new Act reference?

2(15) (historical charitable-purpose definition) | 11 and 11(1)(a) (reference and operative exemption comparison/application)

Two judges | K.S. Hegde, J. | A.N. Grover, J.

Assessment years: 1960-61, 1961-62, 1962-63

Historical community-benefit ruling with remittal and later statutory limits

The trust predated 1 April 1962. The 1971 Court accepted its impersonal public class but remitted other exemption points; three special-leave appeals succeeded and three defective-certificate appeals were dismissed, with own costs. The 1981 sequel later sustained the object-clause outcome, verified here from a nonofficial judicial-text reproduction whose anomalous AY 1961-62 section 11 statement is not adopted. Later community/caste restrictions, exceptions and commercial-activity conditions require separate checking. This is not a blanket or present-day exemption for caste trusts. Original PDF unchanged; comprehensive later treatment, current law and 2025 mapping remain unverified.

01 FACTS OF THE CASE

The assessee association held properties for purposes set out in its constitution, including managing the Rana community's properties in Ahmedabad, improving education and giving medical help. The reference covered assessment years 1960-61, 1961-62 and 1962-63, with corresponding accounting years ending in March 1960, 1961 and 1962. It asked whether income was exempt under section 4(3)(i) of the 1922 Act and section 11 of the 1961 Act. The source does not allocate each year separately to the two enactments (physical 2-3/SCR 745 D-746 C).

The Income-tax Officer denied charitable exemption. The Appellate Assistant Commissioner regarded the beneficiaries as vague and insufficiently public and found some objects noncharitable despite the association's public-trust registration. The Tribunal held that Rana members resident in Ahmedabad, including those accepted under the community's custom, were an identifiable section of the public and allowed the claimed exemption. On the Revenue's reference, the High Court decided only the public-character issue against the association: it accepted the impersonal character of native members but regarded customary admission of other residents as a personal element (physical 2-4/SCR 745 F-747 D).

The original three certificate appeals lacked reasoned certificates. The association therefore obtained special leave in three further appeals. All six were disposed of together, but the merits ruling and defective-certificate dismissals must be kept distinct (physical 2/SCR 745 A-D; physical 7/SCR 750 E).

Source: See the proposition-specific paragraph and PDF-page references below.

02 DISCUSSION BY THE HON'BLE COURT

The Court first identified the statutory setting. The operative part of section 11(1)(a) resembled old section 4(3)(i), but the 1961 Act's historical definition of charitable purpose qualified the general-public-utility limb by the profit-activity restriction. It also restricted charitable trusts created for a particular religious community or caste on or after 1 April 1962. This trust had been created before that date, so its caste beneficiaries did not disqualify it on that ground if the remaining exemption conditions were satisfied. That express applicability ruling does not dispense with those other conditions (physical 4-5/SCR 747 D-748 A).

An object can be charitable when it benefits an identifiable section of the public rather than everyone in the country. The necessary common quality must be public or impersonal, rather than a personal relationship tying selected individuals to a particular person. The Court relied on Andhra Chamber of Commerce for that principle and examined the beneficiary clause itself. Its Gujarati term *Riwaj* meant custom or usage, not the inaccurate translation old rules (physical 5/SCR 748 B-H).

The High Court's distinction between native and customarily admitted members was unsustainable. Both groups belonged to the Rana community of Ahmedabad. Requiring a nonnative resident to establish the credentials necessary for membership under community custom did not make that membership personal. The relevant common quality remained membership of the community, rather than the individual status of each beneficiary (physical 6/SCR 749 A-F).

The Court used *Re Compton and Londonderry* to explain the impersonal-class inquiry and distinguished the personal nexus illustrated by *Oppenheim*, where beneficiaries were children of employees or former employees of particular employers. The importance of custom in establishing caste membership did not introduce a similar personal relationship. This resolved the sole ground on which the High Court had answered the reference; it did not decide the other objections to charitable exemption that the High Court had left open (physical 6-7/SCR 749 A-750 E).

Source: See the proposition-specific paragraph and PDF-page references below.

03 JUDICIAL DECISION

Civil Appeals 1284-1286 of 1971, brought by special leave, were allowed. The High Court's negative answer was discharged and the matters remitted for an answer after determination of the other undecided points. Civil Appeals 2146-2148 of 1968, brought by defective certificates, were dismissed because the certificates lacked reasons. The parties were directed to bear their own costs in these appeals. The 1971 judgment therefore establishes the public-character point and removes that obstacle; it does not itself finally answer the exemption reference or calculate exempt income (physical 7/SCR 750 E).

Source: See the proposition-specific paragraph and PDF-page references below.

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Assessee on the section-of-the-public issue; final exemption points remitted

Three special-leave appeals allowed with remittal; three defective-certificate appeals dismissed; parties to bear their own costs

Reasoned substantive and applicability holding under the joint 1922/1961 reference; no final adjudication of every exemption condition

Public character and the trust's pre-1 April 1962 position only. Remaining object/exemption issues were remitted, and no contemporary registration or exemption entitlement is established.

Source: See the proposition-specific paragraph and PDF-page references below.

05 AKHB REVIEW POINT

Keep three inquiries separate: whether the beneficiaries form an impersonal section of the public, whether the governing enactment restricts the particular community-based trust, and whether all conditions for exemption are met. Rana answers the first on the actual beneficiary clause and addresses the second through the trust's pre-1 April 1962 creation. It leaves other exemption questions to the High Court. Customary proof of membership is not equivalent to a power to select personal favourites.

The subsequent litigation has a different disposition. In the same-party judgment dated 7 April 1981, the Supreme Court declined to interfere with the High Court's 29/30 June 1972 conclusion that the object clauses adequately confined income to religious and charitable purposes, and dismissed the Revenue's appeals with one set of costs. That later object-clause outcome is verified here only from the complete four-paragraph judicial text reproduced on Indian Kanoon. It should not be read back into the 1971 remittal. The reproduction's paragraph 2 anomalously places assessment year 1961-62 under section 11; this note does not adopt that allocation or claim official-original authentication (1981 sequel, paragraphs 1-4).

The retained government-hosted 2011 compilation shows why the old public-benefit conclusion cannot alone prove later exemption. Section 13(1)(b) retains a restriction for specified post-commencement religious-community or caste charities; Explanation 2 separately addresses trusts for Scheduled Castes, backward classes, Scheduled Tribes, women and children. Its section 2(15) text and amendment footnotes show a changed commercial-activity regime, while section 11 contains application and accumulation conditions with their own amendment history. This is a bounded later compilation, not an authenticated original 1962 text or a complete current statute (physical 42, 49, 165-166, 177 and 182).

AUDA's 2022 conclusions require general-public-utility bodies to be tested against the changed section 2(15) regime, including the connection of business activity with the object, applicable receipts limits, cost-based versus materially higher charges, and the linked section 11(4A) separate-books requirement. This is later statutory context, not an assertion that AUDA overruled Rana's impersonal-community test. The relevant year, full trust instrument, actual activities and all applicable conditions must be checked. Comprehensive later treatment, present-law status and any 2025 Act mapping remain unverified (AUDA, paragraph 253 A.1-A.4, physical 141-142).

Source: See the proposition-specific paragraph and PDF-page references below.

DETAILED DISPOSITION AND CONNECTED GROUPS

Proceeding outcomes

1.

Case number: Civil Appeal No. 1284 of 1971

Outcome: Allowed; High Court answer discharged; remitted for remaining points; own costs

2.

Case number: Civil Appeal No. 1285 of 1971

Outcome: Allowed; High Court answer discharged; remitted for remaining points; own costs

3.

Case number: Civil Appeal No. 1286 of 1971

Outcome: Allowed; High Court answer discharged; remitted for remaining points; own costs

4.

Case number: Civil Appeal No. 2146 of 1968

Outcome: Dismissed because certificate defective for want of reasons; own costs direction in the common order

5.

Case number: Civil Appeal No. 2147 of 1968

Outcome: Dismissed because certificate defective for want of reasons; own costs direction in the common order

6.

Case number: Civil Appeal No. 2148 of 1968

Outcome: Dismissed because certificate defective for want of reasons; own costs direction in the common order

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: All six appeals, years, proceedings and joint statutory reference

Source url: [Open cited source](#)

Pdf pages: 2; 3

Paragraphs: SCR 745 A-746 C

2.

Topic: Historical statutory comparison and operative pre-April 1962 applicability

Source url: [Open cited source](#)

Pdf pages: 4; 5

Paragraphs: SCR 747 D-748 A

3.

Topic: Public section test and corrected Gujarati translation

Source url: [Open cited source](#)

Pdf pages: 5

Paragraphs: SCR 748 B-H

4.

Topic: Impersonal common quality and personal-nexus distinction

Source url: [Open cited source](#)

Pdf pages: 6; 7

Paragraphs: SCR 749 A-750 D

5.

Topic: Remittal, separate appeal outcomes and own costs

Source url: [Open cited source](#)

Pdf pages: 7

Paragraphs: SCR 750 E

6.

Topic: Later same-party object-clause result and source anomaly

Source url: [Open cited source](#)

Pdf pages:

Paragraphs: Judicial paragraphs 1-4; paragraph 2 anomalous year allocation

Source role: bounded later judicial text

7.

Topic: Later statutory restrictions and exceptions, not original 1962 text

Source url: [Open cited source](#)

Pdf pages: 42; 49; 165; 166; 177; 182

Paragraphs: Printed 1.1, 1.8, 1.124-1.125, 1.136 and 1.141; sections 1(3), 2(15), 11(1), 13(1)(b) and Explanation 2

Source role: bounded historical statutory context

8.

Topic: Changed general-public-utility regime and linked separate-books condition

Source url: [Open cited source](#)

Pdf pages: 141; 142

Paragraphs: Paragraph 253 A.1-A.4

Source role: bounded later statutory context

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

The Court decides public character for the joint reference and expressly holds the post-commencement community/caste restriction inapplicable because this trust predated 1 April 1962, subject to other conditions. Later section 13(1)(b), sections 11(4A)/13(8) and amended section 2(15) are auxiliary statutory context, not provisions all adjudicated in this 1971 appeal.

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

A.N. Grover, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Indian Income-tax Act, 1922, section 4(3)(i), and Income-tax Act, 1961, sections 2(15) and 11(1)(a), in a mixed-period charitable-exemption reference

SPECIFIED LATER DECISION AND LIMITS OF THE CHECK

1.

Title: Commissioner of Income-Tax v. Ahmedabad Rana Caste Association

Decision date: 1981-04-07

Classification: Same-party later object-clause disposition; not the 1971 holding

Source url: [Open cited source](#)

Pinpoint: Judicial paragraphs 1-4

Holding limit: Revenue appeals dismissed with one set of costs after High Court upheld confinement of income to religious/charitable purposes. Nonofficial judicial-text reproduction only; anomalous paragraph 2 year allocation not adopted.

Bounded check: verified only within explicit read bounds

2.

Title: Assistant Commissioner of Income Tax (Exemptions) v. Ahmedabad Urban Development Authority, 19 October 2022

Decision date: 2022-10-19

Classification: Later statutory context; not verified direct treatment of Rana

Source url: [Open cited source](#)

Pdf pages: 141; 142

Pinpoint: Paragraph 253 A.1-A.4

Holding limit: Changed section 2(15) regime and linked conditions for general-public-utility bodies, not present exemption for this trust.

Bounded check: verified only within explicit read bounds

OTHER STATUTORY PROVISIONS AND THEIR SEPARATE SCOPE

Indian Income-tax Act, 1922, section 4(3)(i), with its reference to section 16(1)(c); Historical 1961 Act restriction for community/caste charities created on or after 1 April 1962, described without a section number; Bombay Public Trust Act registration, mentioned as background; no separate holding under that enactment

BOUNDED NON-PDF SOURCES AND READING LIMITS

1.

Kind: later judicial text reproduction bounded

Title: Commissioner of Income-Tax v. Ahmedabad Rana Caste Association

Decision date: 1981-04-07

Url: [Open cited source](#)

Citation: [1983] 140 ITR 1 (SC), as identified by the reproduction

Read bounds: Complete four-paragraph judicial text, author and bench header read through the web tool. Paragraphs 1-4 only; no reporter PDF or signed original recovered. Web lines 52-58 contain the complete judicial body.

Full bounded judicial text read: True

Bounded read complete: True

Raw pdf acquired: False

Pdf pages: Not stated in the reviewed record

Sha256: Not stated in the reviewed record

File bytes: Not stated in the reviewed record

Provenance: Public reproduction of primary judicial text on Indian Kanoon. Not an authenticated official original. No unsupported raw PDF hash, byte count, page count or appeal numbers supplied.

Source caution: Paragraph 2 assigns section 11 to assessment year 1961-62 as well as 1962-63. That anomalous year-to-Act statement is not adopted; the 1971 judgment itself does not allocate the three listed years individually to the two Acts.

SOURCE & VERIFICATION

Hon'ble Supreme Court source PDF (reported judgment)

Identified source rendition: 7 PDF pages; SHA-256

cb7bf75d44e289cf10291dd9e3d49531532c63b3905e1471cb43007ebbec0f69. Original bytes preserved.

Open cited source rendition

full primary text read: True; all primary page images reviewed: True; source integrity verified: True; actual statutory scope verified: True; later treatment comprehensive: not_verified; current law status: not_verified; statutory mapping 2025: not_verified

Decision date verified from the image. The catalogue identifier 1971INSC249 is not independently printed or authenticated in the retained report.

Decision date is 16 September 1971; 1972 is the SCR report year. The catalogue gives only Civil Appeal 2146 of 1968; the source covers three certificate appeals and three special-leave appeals with opposite formal dispositions.; The 1971 reference lists AYs 1960-61, 1961-62 and 1962-63 and invokes both the 1922 and 1961 Acts without an express year-by-year allocation. It is not a wholly 1961-Act assessment record.; The Court expressly relies on creation before 1 April 1962 and satisfaction of other exemption conditions. It does not announce exemption for every caste or community trust.; The historical community/caste restriction is described without a section number in the judicial text. Later section 13(1)(b) is identified from the 2011 compilation, not retroactively represented as the judgment's own numbered citation or the original 1962 text.; The Gujarati term Riway means custom or usage. Old rules is the acknowledged inaccurate translation; admission according to custom is not the same as personal selection at unrestricted discretion.; The Tribunal's approximate beneficiary number is printed as 2,400 (?) at physical 3/SCR 746 A. It is not a Supreme Court finding of an exact count or a prescribed numerical threshold.; The 1971 Court resolved public character and remitted other points; the later 1981 object-clause result must not be folded into its holding.; The 1981 sequel is checked through complete judicial text on a nonofficial public reproduction, with no official PDF, raw-file metadata or appeal-number authentication. Its paragraph 2 assigns section 11 to AY 1961-62, an anomaly not adopted here.; The 2011 compilation contains later amendments and editorial amendment footnotes, including section 13 substitution history. It does not authenticate the original 1962 or complete present statutory version. AUDA is used only within the stated later-law bounds, not as direct adverse treatment of Rana.

Accounting years ended 31 March 1960, 31 March 1961 and 31 March 1962, respectively. The reference expressly asks about 1922 section 4(3)(i) and 1961 section 11 but the 1971 text does not allocate each assessment year separately to an Act. The 1981 reproduction's anomalous allocation of section 11 to 1961-62 is not adopted.

Three original certificate appeals were defective for absence of reasons; three appeals by special leave supplied the effective merits route. The report does not map individual appeal numbers to individual assessment years.

STATUTORY SCOPE

No automatic Income-tax Act, 2025 crosswalk. Complete amendments, commencement, savings and case-specific present applicability have not been verified.

LATER TREATMENT

Source checked 2026-10-05. Bounded checks establish a 1981 same-party object-clause sequel through reproduced judicial text and later statutory context through retained AUDA/2011 compilation sources. No comprehensive citator search, absence-of-adverse-treatment certificate, current-law approval or 2025 mapping.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 7](#)

SHA-256: cb7bf75d44e289cf10291dd9e3d49531532c63b3905e1471cb43007ebbec0f69

[Commissioner of Income-Tax v. Ahmedabad Rana Caste Association](#)

[official government hosted statutory compilation bounded - PDF pages: 1251](#)

SHA-256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

[official judgment bounded - PDF pages: 149](#)

SHA-256: 337506bb14011d607bd09bff7abb821aa77aa618be94632ed8edc1716667f33f

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