

Union of India and Anr. v. U.P. State Ware Housing Corporation

Civil Appeal No. 455 of 1976

[1990] Supp. 2 SCR 523 | 1990-10-31

Historical warehousing rental exemption: statutory authority and qualifying receipts.

Income-tax Act, 1961: historical section 10(29) | Warehousing Corporations Act, 1962: section 24(d)

2-judge bench | M. M. Punchhi, J. | S. C. Agrawal, J.

Assessment years: 1974-75

Omitted exemption; receipt-specific holding

Section 10(29) was omitted by the Finance Act, 2002 with effect from 1 April 2003, as confirmed on the Income Tax Department statutory page. This AY 1974-75 decision does not establish a current exemption or exempt every receipt of a warehousing corporation.

01 FACTS OF THE CASE

The Income-tax Officer required U.P. State Ware Housing Corporation to pay advance tax for AY 1974-75, treating rent from its godowns and warehouses as taxable. The corporation was created under the Warehousing Corporations Act, 1962. After repeated rejection of its exemption claim, it challenged the notice by writ petition. The Allahabad High Court quashed the notice and the Revenue appealed by certificate.

Source: [SCR pp. 524-525](#) / [PDF pp. 2-3](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court identified three requirements under the then section 10(29): an authority constituted under law, constituted for marketing commodities, with the relevant income derived from letting godowns or warehouses for storage, processing or facilitating marketing. The corporation was a creature of statute. Its statutory agency functions under section 24(d), involving purchase, sale, storage and distribution, facilitated marketing. The rental source of the disputed income was undisputed, so all three requirements were met.

Source: [SCR pp. 525-526](#) / [PDF pp. 3-4](#)

03 JUDICIAL DECISION

The Court agreed that the corporation was entitled to the claimed exemption and dismissed the Revenue appeal. It made no costs order because there was no opposition to the appeal.

Source: [SCR p. 526 / PDF p. 4](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee corporation for the identified rental income under the historical exemption. The holding does not extend to every kind of income merely because the recipient is a statutory warehousing authority.

Source: [SCR p. 526 / PDF p. 4](#)

05 AKHB REVIEW POINT

AKHB analysis: distinguish qualification of the institution from qualification of the particular income. For a historical claim, document statutory constitution, marketing functions and the source of receipts separately. For later years, start with the omission of section 10(29) and examine any other applicable provision independently rather than carrying this exemption forward.

Source: [AKHB analysis based on SCR pp. 525-526 / PDF pp. 3-4](#)

SOURCE & VERIFICATION

[Supreme Court Reports scan - public eSCR mirror](#)

Four-page SCR scan; full judicial order starts on PDF page 2 and ends on page 4. Rental income alone is the stated disputed receipt.

[Open cited source rendition](#)

Full judicial text and operative relief read. Original bytes match the SHA-256 in the supplied source reconciliation.

STATUTORY SCOPE

Bounded later statutory check: the Income Tax Department section 10 page records omission of clause (29) by the Finance Act, 2002 with effect from 1 April 2003. Other later legislation and present entitlement have not been audited.

LATER TREATMENT

Source checked 2026-10-10. Full historical judgment checked. Comprehensive subsequent judicial treatment has not been verified; no current citator clearance is represented.

IDENTIFIED SOURCE LINKS

[Income Tax Department: section 10, historical text and amendment annotation](#)

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.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.