

Gujarat Industrial Development Corporation v. The Commissioner of Income Tax

Civil Appeal No. 2950 of 1985 Etc. (other appeal numbers not separately specified in the report)

[1997] Supp 3 SCR 466 | 1997-08-20

Whether the Corporation's statutory industrial-development purpose fell within the planning, development or improvement limb of former section 10(20A).

10(20A)

Two-judge bench | B.N. Kirpal, J. | K.T. Thomas, J.

Assessment years: See the source-scope notes; no year inferred.

Former section 10(20A) only; constitutional ground not decided

The Corporation succeeded under the former statutory development-authority exemption; Article 289(1) was expressly not pressed. Section 10(20A) was omitted from 1 April 2003 as confirmed by the bounded statutory-history check. No automatic exemption under another route or for later years is established. The report does not specify the assessment years or all connected appeal numbers; comprehensive later treatment remains unverified.

01 FACTS OF THE CASE

Gujarat Industrial Development Corporation was created under the Gujarat Industrial Development Act, 1962 to secure orderly industrial establishment and assist industry. It could hold property and sue or be sued in its own name. It claimed exemption both under Article 289(1) of the Constitution and section 10(20A). The ITO rejected both grounds, the Appellate Assistant Commissioner accepted them, and the Tribunal and High Court decided against the Corporation (PDF page 3/SCR 468).

In the Supreme Court, counsel expressly did not press Article 289(1). The case was argued solely under section 10(20A). The report identifies the lead appeal and says Etc.; it gives no assessment-year particulars or tax amount for the group. Those omissions are not filled by assuming a year from the litigation date (PDF pages 2–3).

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

02 DISCUSSION BY THE HON'BLE COURT

Former section 10(20A) covered income of a legally constituted authority established for either housing accommodation or planning, development or improvement of cities, towns and villages. The Corporation satisfied the legally constituted requirement. It did not rely on the housing alternative; the dispute concerned the development alternative (PDF pages 3–4).

Reading the Gujarat Act's preamble, definitions of industrial area and industrial estate in sections 2(g) and 2(n), and functions in section 13, the Court held that planned industrial development could develop the city, town or village where it occurred. Roads, sanitation, buildings, parks and related facilities were part of such planning. The High Court's separation of industrial development from local development was too narrow (PDF pages 5–6).

The Court treated development broadly in the particular exemption provision, using the statutory public-development purpose and the analogous Maharashtra industrial-development discussion as support. This was not a declaration that every company promoting industry was a statutory authority or that every fiscal exemption receives identical interpretive treatment. The unpressed constitutional ground was not adjudicated (PDF pages 3–7).

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

03 JUDICIAL DECISION

The appeals were allowed, the challenged High Court judgment was set aside, and the section 10(20A) question answered in favour of the assessee and against the Revenue. The source states no separate costs direction or quantified consequential tax computation (PDF page 7/SCR 472).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Assessee Corporation

Appeals allowed; High Court judgment set aside; former section 10(20A) reference answered for assessee

Final historical statutory-exemption ruling

Article 289(1) was expressly not pressed. No determination of present section 10(20), charitable registration or eligibility after omission of section 10(20A).

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

05 AKHB REVIEW POINT

The useful reasoning is the connection between the particular authority's statutory functions and the exemption's public-development purpose. Establish the enabling statute and actual functions before relying on the word development. A government-linked title by itself does not supply the statutory conditions. Keep the successful section 10(20A) ground separate from the abandoned constitutional argument.

The holding belongs to a repealed exemption. The checked official-hosted 2011 compilation records the omission of section 10(20A) by the Finance Act, 2002 with effect from 1 April 2003 and reproduces the former clause (PDF page 111, footnote 2). The 1997 result therefore cannot establish an automatic exemption for later years. Any other exemption route requires its own applicable-year analysis. This is a bounded statutory-history check, not a comprehensive account of later judicial treatment or a 2025 Act mapping.

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

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Identity, procedural history, former clause and abandoned constitutional ground

Source url: [Open cited source](#)

Pdf pages: 1; 2; 3

Paragraphs: Unnumbered judicial text

Source role: reported metadata and judicial text

2.

Topic: Statutory-authority and separate development limb

Source url: [Open cited source](#)

Pdf pages: 4

Paragraphs: Unnumbered judicial text

Source role: judicial text

3.

Topic: Gujarat Act provisions, industrial planning and contextual interpretation

Source url: [Open cited source](#)

Pdf pages: 5; 6

Paragraphs: Unnumbered judicial text

Source role: judicial text

4.

Topic: Final answer and allowance of appeals

Source url: [Open cited source](#)

Pdf pages: 7

Paragraphs: Unnumbered judicial text

Source role: judicial text

5.

Topic: Omission of former section 10(20A)

Source url: [Open cited source](#)

Pdf pages: 111

Paragraphs: Section 10(20A), editorial amendment-history footnote 2

Source role: compiled statute and editorial amendment history

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

K.T. Thomas, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SPECIFIED STATUTORY CHECKS AND THEIR LIMITS

1.

Status: bounded compiled text and history footnote checked

Source url: [Open cited source](#)

Pdf pages: 111

Finding: Former section 10(20A) and omission history checked: Finance Act 2002, effective 1 April 2003. No adjudication of later exemption routes or current-law mapping.

APPLICABLE HISTORICAL STATUTORY CONTEXT AND LIMITS

Adjudicated version: Former section 10(20A), as quoted in full on judicial page 3; the relevant assessment years are not stated.

Enabling statute: Gujarat Industrial Development Act, 1962: preamble, sections 2(g), 2(n) and 13, as discussed in the judgment.

Later material change: Omission by Finance Act 2002 effective 1 April 2003, verified in the official-hosted 2011 compilation page 111, history footnote 2.

Constitutional scope: Article 289(1) expressly not pressed in the Supreme Court.

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(reported judgment\)](#)

Identified source rendition: 7 PDF pages; SHA-256

b9db3b707bc842c1f21ae4fb0f9629a18fc05dd90856fe81ae0144a49071b73a. Original bytes preserved.

Complete unnumbered judicial text on physical PDF pages 3–7; preceding text is reporter/headnote/appearance material. No adjacent judgment. All report pages also read.

[Open cited source rendition](#)

The report gives a lead appeal followed by Etc. and ends by allowing the appeals; further numbers and assessment years are not independently specified.; The headnote's section 2(9) typography is not followed: the judicial text identifies Gujarat Act section 2(g) for industrial area and section 2(n) for industrial estate.; The Article 289 claim was expressly abandoned in argument; the decision is not a constitutional-immunity precedent on that ground.; Descriptions of the Maharashtra corporation within the quoted Ramtanu passage are precedent context, not fresh facts found about every Gujarat receipt.; The no-tax wording on the last page is confined to former section 10(20A); the later statutory omission is prominently retained.

STATUTORY SCOPE

No automatic mapping to the Income-tax Act, 2025 or present-law certification. Apply the statutory text for the relevant year.

LATER TREATMENT

Source checked 2026-10-04. Comprehensive subsequent judicial and statutory treatment has not been verified. Only the expressly identified bounded comparisons have been checked. No current-law or Income-tax Act, 2025 mapping is certified.

IDENTIFIED SOURCE LINKS

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

SHA-256: b9db3b707bc842c1f21ae4fb0f9629a18fc05dd90856fe81ae0144a49071b73a

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

SHA-256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

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