

Commissioner of Income Tax v. Gujarat Maritime Board

Civil Appeal No. 5656 of 2007

[2007] 12 SCR 962 | 2007-12-05

Whether Gujarat Maritime Board qualified for registration as a charitable institution under section 12A, on its statutory public-utility objects and legal obligation to apply income, after ceasing to fall within the restricted local-authority definition.

2(15) | 10(20) | 11(1) | 11(4) | 12A

Two-judge bench | S.H. Kapadia, J. | B. Sudershan Reddy, J.

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

Registration only; historical law and later-year limits

Gujarat Maritime Board won section 12A registration, not an unconditional ruling that every receipt or later year is exempt. Application of income was expressly excluded. The reported text contains a section 11(15) misreference and an inconsistent constituting-section recital; its reproduced accumulation percentage is historical. AUDA and its clarification were checked only within stated bounds. Comprehensive later treatment and current-law/2025-Act mapping remain unverified.

01 FACTS OF THE CASE

Gujarat Maritime Board, a statutory authority under the Gujarat Maritime Board Act, 1981, had previously enjoyed local-authority exemption under section 10(20). After the Finance Act, 2002 restricted that expression, it applied for charitable registration. The Department objected that it was a statutory authority rather than a trust under the Public Trust Act and that developing minor ports was performance of statutory functions rather than charity (physical pages 2–3 and 7–8).

The Court examined the Board's purposes and the statutory fund scheme. Minor-port development and maintenance were its main object; it also provided associated port services. Sections 73–75 controlled crediting, use and investment of receipts, including reserves and surplus, for the statutory purposes. The Court expressly confined the dispute to registration, not application of income (pages 3–5).

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

02 DISCUSSION BY THE HON'BLE COURT

The Court held that sections 10(20) and 11 operate in different spheres. Losing one exemption did not prevent the Board from claiming charitable status under the other. Under the historical section 2(15), advancement of an object benefiting the public or a section of it could be general public utility. An ancillary non-charitable object did not defeat an institution whose primary or predominant object was charitable (page 8).

Applying the statutory scheme, the Court found the Board's predominant purpose to be development of minor ports, its management and control essentially with the State Government, and no profit motive in the relevant sense. Income was legally required to serve those purposes. It relied on the Andhra Pradesh State Road Transport Corporation analogy, but its own concluding relief was the right to registration (page 9).

For section 11, the source of income may be held under a trust or another legal obligation; section 11(4) includes a business undertaking so held. The Board's statutory obligation supplied that foundation. The Court also noted that business income falls within section 11 only on fulfilment of that section's conditions, preserving the express boundary between registration and assessment of application (pages 7 and 9).

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

03 JUDICIAL DECISION

The Revenue's civil appeal was dismissed without costs. The Court found no infirmity in the Tribunal and High Court decisions and held the Board entitled to registration under section 12A. It did not decide application of income or grant unconditional exemption for every assessment year (page 9, read with page 3).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Assessee, on charitable registration

Revenue appeal dismissed; registration entitlement sustained; no order as to costs

Final on the identified registration question; application of income expressly outside the dispute

Depends on the Board's statutory objects, fund obligations and historical section 2(15). No automatic exemption of all receipts or all statutory bodies, and no decision on compliance for a particular later year.

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

05 AKHB REVIEW POINT

Separate three questions: the charitable character of the objects, satisfaction of the applicable registration requirements, and exemption of income under the assessment-year conditions. This order resolves the Board's registration entitlement and does not merge those questions. State creation alone is not the rationale; the statutory objects, control, fund restrictions and absence of profit motive are material.

Bounded later comparison only: AUDA (19 October 2022), paragraph 27, records the later changes to section 2(15). Paragraphs 179–180 and 190 retain the distinction between different exemption routes, while paragraph 253(A), (B) and (H) requires examination of actual activities, charging levels and the quantitative limit applicable to the year. Its paragraph 254(i) rejects the specified Revenue proceedings against Gujarat Maritime Board. The 3 November 2022 clarification, paragraphs 4–6, treats the years decided against the Revenue as final while requiring the declared law to be applied to the facts of other years. These checked passages do not justify either a blanket commercial-receipts exemption or reopening the years finally disposed of. They are not a comprehensive later-treatment audit.

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

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Identity and unnumbered judicial boundary

Source url: [Open cited source](#)

Pdf pages: 1; 2

Paragraphs: Cover; jurisdiction; opening Order

Source role: reported metadata and judicial text

2.

Topic: Registration-only scope and statutory fund scheme

Source url: [Open cited source](#)

Pdf pages: 2; 3; 4; 5

Paragraphs: Unnumbered Order; SCR 963–966

Source role: judicial text

3.

Topic: Historical tax text and Department's trust objection

Source url: [Open cited source](#)

Pdf pages: 5; 6; 7; 8

Paragraphs: Unnumbered Order; SCR 966–969; quoted statutory text distinguished

Source role: judicial text

4.

Topic: Separate exemption routes, public-utility reasoning and actual relief

Source url: [Open cited source](#)

Pdf pages: 8; 9

Paragraphs: Unnumbered Order; SCR 969–970

Source role: judicial text

5.

Topic: Later section 2(15) changes

Source url: [Open cited source](#)

Pdf pages: 48; 49

Paragraphs: 27

Source role: bounded later comparison judicial text

6.

Topic: Board's later submissions, not adopted holding

Source url: [Open cited source](#)

Pdf pages: 63; 64

Paragraphs: 60–61

Source role: bounded later comparison counsel submissions

7.

Topic: Later analysis of separate routes and statutory bodies

Source url: [Open cited source](#)

Pdf pages: 121; 122; 123; 124; 125; 126; 127; 128; 129; 130

Paragraphs: 179–190

Source role: bounded later comparison judicial text

8.

Topic: Later general tests, yearly assessment and specified Board proceedings

Source url: [Open cited source](#)

Pdf pages: 160; 161; 162; 163; 164; 165; 166; 167

Paragraphs: 253–255; especially 253(A), (B), (H), 254(i) and footnote 168

Source role: bounded later comparison judicial text

9.

Topic: Finality of decided years and facts of other years

Source url: [Open cited source](#)

Pdf pages: 2; 3

Paragraphs: 1–6; especially 4–6

Source role: bounded later comparison clarification

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

2(15): Historical general-public-utility limb before the later commercial-activity provisos considered in AUDA

10(20): Loss of local-authority exemption did not itself bar consideration under section 11

11(1) / 11(4): Property or business undertaking held under trust or other legal obligation, subject to the section's conditions

12a: Actual relief concerns charitable registration, not final exemption of income for every year

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Order of the Court; no individual author identified in the source

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SOURCE & VERIFICATION

Hon'ble Supreme Court source PDF (reported judgment)

Identified source rendition: 9 PDF pages; SHA-256

65ac23479f632f4f5aa66aab341c55a908fa80088ce1a6585edc94aac87a40d2. Original bytes preserved.

Unnumbered judicial Order from "Leave granted" on physical page 2 through the dismissal on page 9 (SCR 963–970), fully read. Page 1 and opening of page 2 are reporter/editorial material. No adjacent judgment.

Open cited source rendition

The source adjudicates registration and does not identify a particular assessment year for an application-of-income determination.

The unnumbered Order expressly says registration, not application of income; the reporter headnote and quoted precedent cannot enlarge that scope.; The cover headnote refers to Gujarat Maritime Board Act section 3(3), while the judicial opening prints section 3(2). The note follows the judicial opening without silently altering the original.; Physical page 8 prints section 11(15) in one passage, although the definition discussed and quoted throughout is section 2(15). It also contains an incomplete Surat Art Silk citation; no repaired reporter citation is invented.; The reproduced section 11(1) text includes a twenty-five-percent accumulation figure. This is a historical source extract, not a statement of the rate for a present or unspecified assessment year.; AUDA paragraphs 60–61 are the Board's counsel's submissions. The bounded comparison relies on the Court's later reasoning and operative passages, and the clarification; no full 167-page AUDA review is claimed.

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. No comprehensive subsequent judicial or statutory audit. Any actually checked comparison is narrowly identified; no current-law or 2025-Act certification.

IDENTIFIED SOURCE LINKS

reported judgment - PDF pages: 9

SHA-256: 65ac23479f632f4f5aa66aab341c55a908fa80088ce1a6585edc94aac87a40d2

bounded comparison judgment - PDF pages: 167

SHA-256: ce01d61aa3407595bfb6be88f23d9fdddebaf44352576b5afa75c227eed65d54

bounded comparison clarification order - PDF pages: 3

SHA-256: c58bf48c3d74594f0e6f84f69f64724d277a869352bbc2e306a829ee9ab77ed1

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