

## Sec. 10(26B) exemption denied in case of a Corporation established for welfare of employees

**Summary – The High Court of Gauhati in a recent case of Arunachal Police Housing And Welfare Corporation Ltd., (the Assessee) held that Sec. 10(26B) exemption would have to be denied in case of a Corporation established for welfare of employees**

### Facts

- The assessee-corporation was set up for the benefit of Police personnel serving in Arunachal Pradesh. It claimed exemption under section 10(26B).
- The Assessing Officer rejected-assessee's claim holding that it was not formed for promoting the interest of the Scheduled Castes or Scheduled Tribes or backward classes.
- The Tribunal upheld the order of Assessing Officer.
- On appeal:

### Held

- As per the objects clauses of the assessee it was found that the same has not been set up exclusively for Scheduled Castes or the Schedule Tribes or backward classes even among the police personnel.
- In the instant facts the assessee corporation was set up for the benefit of police personnel in Arunachal Pradesh and not set up for the purpose of the general population. In such case since all persons of the Police Department cannot be considered as belonging to Schedule Tribe the benefit of the provision 10(26B) would not be applicable to the present case.
- In that view, instant appeal being devoid of merit stands dismissed.