

## **Indian Youth Centre Trust eligible for Income Tax Benefits: ITAT**

### **Fact of the Case**

- The assessee company is a Trust registered u/s 12A of the Act and is also registered u/s 80G(5)(vi) of the Income Tax Act, 1961.
- During the scrutiny of return filed by the assessee-Trust, the Assessing Officer found that the receipts of income in relation to hiring of auditorium and conference hall and running of Hostel/canteen activities are in the nature of business receipts and thus, would fall outside the ambit of expression charitable purpose.
- The income tax benefits under section 11 of the Act were denied to the assessee by the department and made an addition of Rs. 1,84,38,140/- treating such income to be arising as normal AOP.

### **Decision of the Case**

- The two-bench Members of the Tribunal comprising Judicial Member Kul Bharat and Accountant Member Pradip Kumar Kedia observed that based on the precedents, the issue is squarely covered in favour of the assessee.
- While granting the benefits of the provisions to the assessee, the Tribunal observed that “on a broader reckoning, it was held by the coordinate bench that the aforesaid income of the trust is incidental to attainment of the main objects of the trust that is to establish, maintain and conduct one or more National or International Youth Centers in India for the benefit of foreign students and youth delegations as well as individuals visiting India which activity has been recognized as charitable activity and the registration has been granted to the assessee by the Income Tax Department.”
- The Delhi bench of the Income Tax Appellate Tribunal (ITAT), Delhi bench has held that the Indian Youth Centre Trust is eligible for income tax benefits under section 11 of the Income Tax Act, 1961.