

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3845  
ANSWERED ON:27.04.2012  
SAFAI KARAMCHARIS  
Kanubhai Patel Jayshreeben;Veljibhai Jat Poonamben

**Will the Minister of FINANCE be pleased to state:**

- (a) the basic criteria of applicant to get Income Tax benefit from Gujarat Safai Karamchari Vikas Nigam (GSKVN);
- (b) whether any other corporation is working for Safai Karamchari in India as a State Channelizing Agency (SCA) of National Safai Karamchari Finance Development Corporation (NSKFDC) which pays Income Tax and if so, the details thereof;
- (c) whether NSKFDC is exempted under the section of 10 (26B) of the IT Act and if so, the details thereof and the reason for not giving the same facility to GSKVN; and
- (d) the reaction of the Government in this matter?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a): The Gujarat Safai Karamchari Vikas Nigam (GSKVN) is not empowered to grant any income-tax benefits.
- (b): Regarding the payment of income tax by a corporation working for Safai Karamcharis in India as State Channelising Agencies of NSKFDC, the same is determined by the concerned Assessing Officers depending on the eligibility of the agencies under Section 10 (26B) of the Income-tax Act, 1961. Such information as to whether income is exempted is not centrally maintained.
- (c) & (d): (i) Yes, Sir. The National Safai Karamchari Finance and Development Corporation (NSKFDC) is claiming, and has been allowed, exemption under section 10(26B) of the Income-tax Act, 1961.  
(ii) Section 10(26B) grants exemption to the income of a corporation or other body formed for promoting the interests of the Scheduled Castes or Scheduled Tribes or Backward Classes. Further, such corporation should be established by a Central, State or Provisional Act or the body should be wholly financed by the Government. The section defines Scheduled Castes and Scheduled Tribes to have the same meaning as in Article 366 of the Constitution of India. Backward Classes are those which are so notified by the Central or State Government.  
(iii) Initially the Income-tax Department was of the view that the GSKVN was not entitled for exemption since it had not been established for promoting the interests of the above categories specifically but for Safai Kamdars in general. After the decision of the Hon'ble Supreme Court vide its order dated 02.01.2012, the GSKVN has become eligible for Income-tax exemption.