

Yogiraj Charity Trust v. Commissioner of Income-tax, New Delhi

Civil Appeals Nos. 937-966 of 1971 — Connected trust appeals decided by one judgment using the typical trust in ITR40/1965

[1976] 3 SCR 947 | 1976-03-30

A trust cannot claim exemption under section 4(3)(i) of the Indian Income-tax Act, 1922 where its independent objects include non-charitable purposes and the trustees may devote the entire income to those purposes. Actual expenditure on charity does not cure that defect. An incidental power serving an exclusively charitable dominant object stands differently (SCR 952-955).

Indian Income-tax Act, 1922 | 1922 Act: 4(3)(i) | 1922 Act: 66(1)

3-judge bench | A.N. Ray, C.J. | M.H. Beg, J. | Jaswant Singh, J.

01 FACTS OF THE CASE

Decided 30 March 1976, Civil Appeals 937-966 of 1971, from the Delhi High Court's judgment of 26 May 1970. Ray C.J. delivered the Court's single judgment with Beg and Jaswant Singh JJ.; no separate opinion appears. The typical reference was ITR 40 of 1965 concerning Jaipur Charitable Trust, created by Ramkrishna Dalmia on 12 April 1948. Similar deeds and dealings governed the connected appeals (SCR 949-951).

Source: [SCR 947-955; physical PDF pages 1-9](#)

02 DISCUSSION BY THE HON'BLE COURT

Clauses 11 and 16 permitted unrestricted allocation among the objects, including commercial concerns. No definite property or income was earmarked exclusively for charity. The Court applied East India Industries and distinguished powers incidental to charitable purposes from substantive non-charitable objects. Krishna Warriar concerned a fixed charitable share and did not validate discretionary allocation of the whole fund to non-charitable purposes. The authorities had found that the concerns here earned profits distributable to shareholders, rather than being established to advance the trusts' charitable objects (SCR 952-955).

Source: [SCR 947-955; physical PDF pages 1-9](#)

03 JUDICIAL DECISION

A trust cannot claim exemption under section 4(3)(i) of the Indian Income-tax Act, 1922 where its independent objects include non-charitable purposes and the trustees may devote the entire income to those purposes. Actual expenditure on charity does not cure that defect. An incidental power serving an exclusively charitable dominant object stands differently (SCR 952-955).

Source: [SCR 947-955; physical PDF pages 1-9](#)

04 OUTCOME / IN WHOSE FAVOUR

Revenue The Court dismissed all appeals, leaving the negative answer to the section 66(1) reference in place. Each party bore its own costs, following the High Court's order (SCR 955). Historical income-tax issue decided with the qualifications stated in this note No current-law or comprehensive later-treatment certification.

Source: [SCR 947-955; physical PDF pages 1-9](#)

05 AKHB REVIEW POINT

The operative exemption is the 1922 Act provision printed at SCR 951. The discussion of Loka Shikshana Trust is contextual precedent, not substitution of the 1961 Act as governing law. This historical judgment alone establishes no current 1961/2025 Act equivalence or later treatment. Source: supplied SCR report, [1976] 3 SCR 947-955. Distinguish the Court's reasons from the editorial headnote and listed submissions, and test each object against the deed's allocation powers.

Source: [SCR 947-955; physical PDF pages 1-9](#)

ASSESSMENT YEARS AND LIMITS**Years:**

Qualification: Years are taken from the judgment; no absent common range inferred.

REPORTED CITATION

Supplied SCR report citation; no machine-generated neutral citation substituted.

SOURCE & VERIFICATIONOriginal reported Supreme Court judgment

Unchanged supplied SCR report; catalog identifies a CC-BY-4.0 public eSCR mirror. Not represented as a separately fetched official signed PDF. Pinpoints identify the supplied reported judgment. The editorial headnote and counsel submissions are distinguished from the Court's reasons; specific source defects and issue limits are stated in the note.

Open cited source rendition

No comprehensive common assessment-year range is supplied in this note.

STATUTORY SCOPE

Indian Income-tax Act, 1922. The historical operative enactment is identified. Source-discussed 1961 provisions are contextual unless expressly stated; no 2025 mapping is asserted.

LATER TREATMENT

Source checked 2026-10-09. Subsequent appeals, review proceedings, stays, reversals and later treatment have not been comprehensively checked. This is not a citator status certificate.

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