



IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL AT BOMBAY JURISDICTION

INCOME TAX APPEAL NO.30 OF 2001

The Director of Income Tax  
(Exemptions), Mumbai. ..Appellant.

Vs.

National Safety Council,  
Mumbai. ..Respondent.

Mr.P.S.Sahadevan for the Appellant.

Mr. Poras Kaka with Mr. N. Doshi i/by Crawford Bayley  
& Co. for the Appellant.

**CORAM : F.I. REBELLO &  
R.S. MOHITE, JJ.  
DATED : 22nd January,2008**

PC :( Per R.S. Mohite, J.)

1. Heard both sides.

2. Two Questions of law as framed in the appeal memo  
are as under.

(a) Whether on the facts and in the  
circumstances of the case, the Income Tax  
Appellate Tribunal was right in law upholding  
the order of Commissioner of Income Tax  
(Appeals) and consequently directing the  
Assessing Officer to allow exemption under  
Section 10(22) without appreciating the fact  
that the assessee trust is not university or  
other educational institute existing solely for  
educational purposes?

(b) Whether on the facts and in the circumstances of the case, and in law, the Income Tax Appellate Tribunal was right in holding that the activities carried out by the assessee are education activities without considering the decision of the Hon'ble Supreme Court in Sole Trustee Lok Shikshan Trust Vs. Income Tax Department (101 ITR 231) and Surate Art Silk Cloth Manufacturers Association (121 ITR 1)?

3. The questions as framed turned upon the basic question as to whether the income of the respondent can be said to be "any income of a university or any other educational institution existing solely for the purpose of education and not for the purpose of profit".

4. On this question ITAT, after a detailed discussion and elaborate reasoning held that the assessee fell within the term "any other educational institution" within the meaning of Section 10(22) of the Income Tax Act and therefore, entitled to exemption under that provision of the Act.

5. Though, this is essentially a question of fact, we have perused the Memorandum and Rules and Regulations of the Association-Assessee which is a society registered under the Societies Registration Act 1860 as well as

Bombay Public Trust Act, 1950. It appears from the Memorandum of Association that the main objects of the assessee i.e. National Safety Council appears to be educating the public in regard to safety, protection and health among industrial workers, to organise and conduct programmes, lectures, conferences and other activities for promoting free discussions on all matters and questions relating to safety measures, procedures and research, to conduct educational campaigns with a view to arouse and maintain public opinion and interest of the employers and workers and their support to safety and accident prevention and to encourage all persons and other associations to adopt, institute and support safety measures and accident prevention programmes. The other objects are ancillary to the above.

6. Article-4 of the Memorandum provides that the income and property of the council shall be utilised solely towards the promotion of the aims and objects of the council and no part of the same shall be paid or transferred directly or indirectly by way of dividend, bonus and profit to the members of the council.

7. Rule-2 of its Rules and Regulations categorically lays down that the council shall be an independent, non commercial, non profit making, non political and autonomous society.

8. The Advocate appearing on behalf of the respondent drew our attention to the Judgment of the Apex Court in the case of **Aditanar Educational Institution Vs. Additional Commissioner of Income Tax reported in 224 ITR Page 310.** In that case the assessee was a society registered under the Societies Registration Act, 1860, established with the objective of establishing, running, managing or assisting colleges, schools and other educational organizations existing solely for educational purposes. Though it had no colleges or institutions of its own, the Apex Court held that it would be unreal and hypertechnical to hold that the assessee society was only a financing body and would not come within the scope of "other educational institution" as specified in Section 10(22) of the Act.

9. The present appeal pertains to assessment year 1993-94 and from the return filed we find that almost its entire income has been utilised for the purpose of its objects.

10. In this background, it cannot be said that the finding of the ITAT is perverse on facts or untenable in law. The view taken is possible view in the facts of the case. In the circumstances, questions of law as framed do not arise and the appeal is dismissed.

(R.S. MOHITE, J.)

(F.I. REBELLO, J.)