

(1988) 09 BOM CK 0055

Bombay High Court

Case No: Income-tax Reference No. 458 of 1976

Commissioner of Income Tax

APPELLANT

Vs

Film Federation of India

RESPONDENT

Date of Decision: Sept. 29, 1988

Acts Referred:

- Income Tax Act, 1961 - Section 11, 11(1)

Citation: (1989) 178 ITR 425

Hon'ble Judges: V.S. Kotwal, J; S.K. Desai, J

Bench: Division Bench

Judgement

S.K. Desai, J.

The assessee concerned in this reference is the Film Federation of India, Bombay. The reference is at the instance of the Revenue and the following question stands referred to us by the Income Tax Appellate Tribunal :

"Whether, on the facts and in the circumstances of the case, the following incomes were exempt from tax u/s 11(1)(a) of the Income Tax Act, 1961 :

- (1) Subscriptions from members;
- (2) Interest on securities;
- (3) Interest on deposits;
- (4) Interest on savings bank account;
- (5) Interest on debentures ?"

2. As far as subscriptions from members are concerned, we have been referred to the decision given by a Division Bench of this High Court in Income Tax Reference No. 38 of 1972, CIT v. Film Federation of India, decided on September 9, 1981, where this very assessee was concerned. In that reference, the question referred to the

Bench was whether the subscriptions received by the assessee-company for the three years under consideration were liable to tax. On considering the nature of activities carried on by the assessee and applying the earlier decisions of the Supreme Court and of this High Court, the question was answered in the negative and in favour of the assessee.

3. One of the decisions referred to in the aforesaid decision was Bar Council of Maharashtra Vs. Commissioner of Income Tax, Bombay City-II . In this decision, income of various types was under consideration. The nature of the body, viz., the Bar Council, was first considered and ultimately it was held that the income of several distinct categories, some of which are indicated at page 28 of the Report, would all be exempt from liability to Income Tax.

4. In our opinion, no elaborate discussion is required to answer the question referred to us in this reference. The nature of the assessee has already been considered by us and, in our opinion, the several categories of income indicated in the question will not attract Income Tax Accordingly the question referred to us is answered in the affirmative and in favour of the assessee.

5. The parties will, however, bear their own costs of the reference.