

CIRCULAR No.73

SUBJECT : Amounts set apart by businessmen annually for
"Shubhakam", Regional Officers not to insist on registration in
such cases.

A question has often been raised whether amounts set apart by businessmen every year out of the profits of their business for "Subhakam" constitute a public trust requiring registration under the Bombay Public Trusts Act,1950. This question was considered by Legal Department in their Letter No.15852/E dated 25th September, 1952, addressed to the Secretary, Gujarat Vyapari Maha mandal, Ahmedabad. The view taken by Legal Department in that letter is as under :

".....ordinarily the profits set apart by businessmen every year for "Shubhakam" would not constitute Dharmada as defined by section 54 of the Bombay Public Trusts Act,1950, and would not, therefore, require registration. The question whether in any particular case on its established facts a public trust can be held to be established is one which must be left to the judicial discretion of the officers of the Charity Organisation to decide it".

2. It has been represented to Government that if such amounts set apart for charitable purposes are required to be registered, merchants will stop setting apart any portion of their profits and this source of charity will disappear.

In view of these representations, it has been decided, as a matter of policy, not to insist on registration of such amounts under the Bombay Public Trusts Act,1950.

Dated : 17th August, 1954

D.R.PRADHAN
Charity Commissioner,Bombay