REGISTRATION & TAXATION CHARITABLE TRUSTS

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TYPES OF TRUSTS (ON THE BASIS OF CLAIM OF EXEMPTION)

❖ **FIRST REGIME - Claiming exemption u/s 10(23C)**
a) Clause (iiiab) - (iiiac) – (iiiad) and (iiiae)
b) Clause (iv) - (v) – (vi) and (via)

❖ **SECOND REGIME - Claiming Deduction u/s 11 & 12**
UP to 30/9/2024:-
the Approval / Registration under both regimes were separately provided.
W.E.F. 01/10/2024 :-
Both are now merged and common registration u/s 12A(ac) r.w.s. 12AB would be available to the Trusts having approval u/s 10(23C).

FURTHER DIVISION

- **CHARITABLE TRUST :-**
  - 80G AVAILABLE /
  - Section 115BBC applicable /
  - Proviso to Section 2(15) related to Trade, Commerce and Business activity Applicable

- **RELIGIOUS TRUST :-**
  - NO 80G AVAILABLE /
  - Section 115BBC NOT applicable /
  - Proviso to Section 2(15) related to Trade, Commerce and Business activity NOT Applicable

- **CHARITABLE and RELIGIOUS TRUST (MIXED) :-**

  80G AVAILABLE subject to CAP of not exceeding 5.00% of TOTAL INCOME of that previous year [80G(5B)].

  Section 115BBC NOT Applicable

IMPORTANT NOTE:

RELIGIOUS PURPOSE not defined in the Act.

SEC 2(15): CHARITABLE PURPOSE DEFINITION

"CHARITABLE PURPOSE" includes
relief of the poor, education, yoga, medical relief,
preservation of environment (including watersheds, forests and wildlife)
and
preservation of monuments or places or objects of artistic or historic interest,
and
the advancement of any other object of general public utility:

Provided that the advancement of any other object of general public utility shall not be a charitable purpose, if it involves the carrying on of any activity in the nature of trade, commerce or business, or any activity of rendering any service in relation to any trade, commerce or business, for a cess or fee or any other consideration, irrespective of the nature of use or application, or retention, of the income from such activity, unless—

(i) such activity is undertaken in the course of actual carrying out of such advancement of any other object of general public utility; and

(ii) the aggregate receipts from such activity or activities during the previous year, do not exceed twenty per cent of the total receipts, of the trust or institution undertaking such activity or activities, of that previous year;

NEW REGISTRATION AND RENEWAL PROVISIONS W.E.F. 01/04/2021

- CENTRALISED REGISTRATION SYSTEM

- PROVISIONAL and REGULAR REGISTRATION PROCEDURE INTRODUCED.
  PROVISIONAL :- 3 years
  REGULAR :- 5 years
  RENEWAL :- Every 5 years
  10YEAR PERIOD for SPECIFIC CASE :- For TRUSTS having Total Income (without giving effect sec 11/12) does not exceed 5 crores in each of the TWO previous years preceding the PY in which Application is made, the PERIOD is TEN YEARS for regular registration and renewal.

- COMMON FORM for MAKING APPLICATION – FORM 10A / 10AB
  Rule 11AA / 17A

- PROVISIONAL REGISTRATION is granted by Automated Process in FORM 10AC with 16 digit Unique Digital Registration Number.

- For various categories – Section Code is required to be Mentioned.

- Section 12A(1)(ac) provides for Registration requirements. NO REFERENCE to the NEW TRUSTS…. Indirect reference.

ISSUES - CUMBERSOME PROCEDURE

- Apply for REGULAR REGISTRATION within 6 months of commencement of Activities OR at least 6 months prior to expiry of the Provisional Registration, whichever is earlier. COMMENCEMENT of ACTIVITIES not defined. Whether receiving of the FIRST DONATION or the FIRST CHARITABLE Activity. NO ANSWER.

- CIT(E) does not have power to modify the Section Code, if wrongly Filled. Courts are setting aside the matters with direction to change the Code. No mechanism provided by the D G (Systems). If fresh application is made, then the original commencement date may not be available.

- 5 years of RENEWAL tenure is too small as against the INFINITE Registration available earlier.

- Shortage of STAFF to handle and process the Applications.

- Difficult for Seniors to understand the procedure, Juniors are lost.

- It is time for RENEWAL of 5 years of Regular Registration to be made before 30th Sept 2025. 6 months prior to the expiry of the Registration. AUDIT DATE deadline, ITR deadline, Advance Tax Deadline and so on.

PROCEDURE FOR REGISTRATION SECTION 12AB

Application under

Clause (ii) - RENEWAL,

Clause (iii) - REGULAR,

Clause (iv) - Inoperative to Operative,

Clause (v) - Change in Objects and

Clause (vi) - Item (B)-Activity Commenced and NO INCOME is excluded from TOTAL INCOME u/s 10(23C) or 11/12 for any previous year ending prior to the date of Application.

PROCEDURE FOR REGISTRATION SECTION 12AB

PROCEDURE:-

The PCIT or CIT shall

(i) call for such documents or information from the trust or institution or make such inquiries as he thinks necessary in order to satisfy himself about—

(A) the genuineness of activities of the trust or institution; and

(B) the compliance of such requirements of any other law for the time being in force by the trust or institution as are material for the purpose of achieving its objects;

(ii) after satisfying himself about the objects of the trust or institution and the genuineness of its activities under item (A) and compliance of the requirements under item (B), of sub-clause (i),—

(A) pass an order in writing registering the trust or institution for a period of five years; or

(B) if he is not so satisfied, pass an order in writing,—

(I) in a case referred to in sub-clause (ii) or sub-clause (iii) or sub-clause (v) of clause (ac) of sub-section (1) of section 12A rejecting such application and also cancelling its registration;

(II) in a case referred to in sub-clause (iv) or in item (B) of sub-clause (vi) of sub-section (1) of section 12A, rejecting such application, after affording a reasonable opportunity of being heard;]

PROCEDURE FOR REGISTRATION SECTION 12AB

- **Application under clause (vi)-Item (A) -**
  ACTIVITY NOT COMMENCED – At least one month prior to the commencement of previous year for which Registration is sought

- **PROCEDURE-**
  grant provisional registration for 3 years

SPECIFIED VIOLATION
SEC 12AB(4)
W.E.F. 01/04/2022 (SUB-SECTION 4 & 5)

(4) Where registration or provisional registration of a trust or an institution has been granted under clause (a) or clause (b) or clause (c) of sub-section (1) or clause (b) of sub-section (1) of , as the case may be, and subsequently,—

(a) the Principal Commissioner or Commissioner has noticed occurrence of one or more specified violations during any previous year; or

(b) the Principal Commissioner or Commissioner has received a reference from the Assessing Officer under the second proviso to sub-section (3) of for any previous year; or

(c) such case has been selected in accordance with the risk management strategy, formulated by the Board from time to time, for any previous year,

SPECIFIED VIOLATION …. CONTD

the Principal Commissioner or Commissioner shall,—

(i) call for such documents or information from the trust or institution, or make such inquiry as he thinks necessary in order to satisfy himself about the occurrence or otherwise of any specified violation;

(ii) pass an order in writing, cancelling the registration (not rejection) of such trust or institution, after affording a reasonable opportunity of being heard, for such previous year and all subsequent previous years, if he is satisfied that one or more specified violations have taken place;

SPECIFIED VIOLATION …. CONTD

the Principal Commissioner or Commissioner shall,—

(iii) pass an order in writing, refusing to cancel the registration of such trust or institution, if he is not satisfied about the occurrence of one or more specified violations;

(iv) forward a copy of the order under clause (ii) or clause (iii), as the case may be, to the Assessing Officer and such trust or institution.

SPECIFIED VIOLATION …. CONTD

Explanation.—

For the purposes of this sub-section, the following shall mean "specified violation",—

(a) where any income derived from property held under trust, wholly or in part for charitable or religious purposes, has been applied, other than for the objects of the trust or institution; or

(b) the trust or institution has income from profits and gains of business which is not incidental to the attainment of its objectives or separate books of account are not maintained by such trust or institution in respect of the business which is incidental to the attainment of its objectives; or

(c) the trust or institution has applied any part of its income from the property held under a trust for private religious purposes, which does not ensure for the benefit of the public; or

(d) the trust or institution established for charitable purpose created or established after the commencement of this Act, has applied any part of its income for the benefit of any particular religious community or caste; or

SPECIFIED VIOLATION …. CONTD

Explanation.—"specified violation", shall means contd.

(e) any activity being carried out by the trust or institution,—

(i) is not genuine; or

(ii) is not being carried out in accordance with all or any of the conditions subject to which it was registered; or

(f) the trust or institution has not complied with the requirement of any other law, as referred to in item (B) of sub-clause (i) of clause (b) of sub-section (1), and the order, direction or decree, by whatever name called, holding that such non-compliance has occurred, has either not been disputed or has attained finality 41[; or]

(g) the application referred to in clause (ac) of sub-section (1) of section 12A is not complete or it contains false or incorrect information.]

SPECIFIED VIOLATION …. CONTD

(5) The order under clause (ii) or clause (iii) of sub-section (4), as the case may be, shall be passed before the expiry of a period of six months, calculated from the end of the quarter in which the first notice is issued by the Principal Commissioner or Commissioner, on or after the 1st day of April, 2022, calling for any document or information, or for making any inquiry, under clause (i) of sub-section (4).

ISSUES

- **OBJECTS of the TRUST -**

  applicationof Income for other than the OBJECTS – it is Specified violation – liable for cancellation.

  WHY if the application is towards objects that are recognised under the Act to be Charitable Purpose according to the Act – sec 2(15).

- **RELIGIOUS COMMUNITY -**

  No DEFINITION – No OPTION except to RELY on various Court Rulings – FULLY SUBJECTIVE.

- Speaks of **BEING APPLIED** when **FIRST REGULAR REGISTRATION** is being processed.

- **REQUIREMENT of OTHER LAW -**
  These are State Charity / Society laws or Indian Companies Act, 2013. Non-Compliance of these would result in Cancellation of the Registration.

DEDUCTION U/S 11 & 12

- **General Deduction:**

  Of the Total Income a minimum of 85% is required to be applied and not in excess of 15% can be accumulated. [sec 11(1)(a)]. Both Revenue and Capital Expenditure are considered as APPLICATION of INCOME.

DEDUCTION U/S 11 & 12

❖ **Income from property held for charitable or religious purposes.**

11(1) Subject to the provisions of sections 60 to 63, the following income shall not be included in the total income of the previous year of the person in receipt of the income—

(a) Any Income applied for Wholly Charitable or Religious purposes is deductible subject to accumulation of maximum up to 15% of the Income

(b) trust having been created before the commencement of this Act

(c) Applied outside India

(d) CORPUS DONATION, subject to the condition that such voluntary contributions are invested or deposited in one or more of the forms or modes specified in sub-section (5) maintained specifically for such corpus].]

❖ **Explanation 1.**—

For the purposes of clauses (a) and (b),—

(1) Voluntary Contribution as referred to in Sec 12 shall form part of Income for calculation of 15%.

DEDUCTION U/S 11 & 12

❖ **INCOME FALLS SHORT OF 85% for specific reasons:**

11(2)-if the income applied to charitable or religious purposes in India falls short of 85% by any amount—

(i) for the reason that the whole or any part of the income has not been received during that year, or

(ii) for any other reason,

then—

(a) in the case referred to in sub-clause (i), so much of the income applied to such purposes in India during the previous year in which the income is received or during the previous year immediately following as does not exceed the said amount, and

(b) in the case referred to in sub-clause (ii), so much of the income applied to such purposes in India during the previous year immediately following the previous year in which the income was derived as does not exceed the said amount,

may, at the option of the person in receipt of the income such option to be exercised **[at least two months prior to the due date specified] under sub-section (1) of section 139 for furnishing the return of income, in form 9A.**

DEDUCTION U/S 11 & 12

- **INCOME FALLS SHORT OF 85% for specific reasons: --- contd….**

DONATION NOT ALLOWABLE as APPLICATION

Explanation 2.—

CORPUS DONATION out of Income of the Trust, not allowable as Application of Income.

CASH PAYMENTS (excedding 10,000/-) and TDS NOT DEDUCTED

Explanation 3.—

provisions of Section 40A(3) and 40(a)(ia) shall, mutatis mutandis, apply as they apply in computing the income chargeable under the head "Profits and gains of business or profession".

DEDUCTION U/S 11 & 12

❖ **INCOME FALLS SHORT OF 85% for specific reasons: --- contd….**

Explanation 3A.—

where the property held under a trust or institution includes any temple, mosque, gurdwara, church or other place notified under clause (b) of sub-section (2) of section 80G, any sum received by such trust or institution as voluntary contribution for the purpose of renovation or repair of such temple, mosque, gurdwara, church or other place, may, at its option, be treated by such trust or institution as forming part of the corpus of the trust or the institution, subject to the condition that the trust or the institution,—

(a) applies such corpus only for the purpose for which the voluntary contribution was made;

(b) does not apply such corpus for making contribution or donation to any person;

(c) maintains such corpus as separately identifiable; and

(d) invests or deposits such corpus in the forms and modes specified under sub-section (5) of section 11.

DEDUCTION U/S 11 & 12

❖ **INCOME FALLS SHORT OF 85% for specific reasons: --- contd….**

Explanation 3B.—

For the purposes of Explanation 3A, where any trust or institution has treated any sum received by it as forming part of the corpus, and subsequently any of the conditions specified in clause (a) or clause (b) or clause (c) or clause (d) of the said Explanation is violated, such sum shall be deemed to be the income of such trust or institution of the previous year during which the violation takes place.]

DEDUCTION U/S 11 & 12

❖ **INCOME FALLS SHORT OF 85% for specific reasons: --- contd….**

NOT CONSIDERED AS APPLICATION for the PURPOSE of DEDUCTION

Explanation 4.—

For the purposes of determining the amount of application under clause (a) or clause (b),—

(i) APPLICATION from CORPUS FUND not to be treated as APPLICATION in the year of Application but can be treated application in the year when the Corpus income from Other Sources replenished within 5 years.

(ii) application for charitable or religious purposes, from any loan or borrowing, shall not be treated as application of income for charitable or religious purposes but when the LOAN is repaid, such loan can be treated as application.

(iii) any application of Income other than for Corpus, by way of donation to other Registered Trust u/s 10(23C) or 11/12, shall be treated as application for charitable or religious purposes only to the extent of 85% of such amount credited or paid.]

Explanation 5.—

NO BROUGHT FORWARD of excess expenditure from earlier previous years shall not be allowed to be set-off.

DEDUCTION U/S 11 & 12

❖ **INCOME FALLS SHORT OF 85% for specific reasons: ---** contd….

11(1A)CAPITAL GAIN TREATMENT

11(1B)Considered to be Income where the Income late received is not utilised.

11(2) ACCUMULATION up to 5 years by passing RESOLUTION and filing FORM 10A for purposes mentioned in the Form subject to conditions. Form 10A is submitted **at least two months prior to the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year:**

Explanation.—

Accumulated or Set Apart application if given to any trust or institution registered under section 12AA [or section 12AB] or to any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, **shall not be treated as application of income for charitable or religious purposes, either during the period of accumulation or thereafter.**

DEDUCTION U/S 11 & 12

❖ **INCOME FALLS SHORT OF 85% for specific reasons: ---** contd….

ACCUMULATION u/s 11(2) - BECOMES TAXABLE

11(3) Any income which is Accumulated u/s 11(2)

(a) is applied to purposes other than charitable or religious purposes as aforesaid or ceases to be accumulated or set apart for application thereto, or

(b) ceases to remain invested or deposited in any of the forms or modes specified in sub-section (5), or]

(c) is not utilised for the purpose for which it is so accumulated or set apart during the period referred to in clause (a) of that sub-section 41[***]*,

(d) is credited or paid to any trust or institution registered under section 12AA 43[or section 12AB] or to any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10,]

DEDUCTION U/S 11 & 12

❖ **INCOME FALLS SHORT OF 85% for specific reasons: --- contd….**

11(3) Any income which is Accumulated u/s 11(2) ……… . contd

shall be deemed to be the income of such person of the previous year,—

(i) in which it is so applied or ceases to be so accumulated or set apart under clause (a); or

(ii) in which it ceases to remain so invested or deposited under clause (b); or

(iii) being the last previous year of the period, for which the income is accumulated or set apart but not utilised for the purpose for which it is so accumulated or set apart under clause (c); or

(iv) in which it is credited or paid to any fund or institution or trust or any university or other educational institution or any hospital or other medical institution under clause (d)].]

DEDUCTION U/S 11 & 12

❖ **INCOME FALLS SHORT OF 85% for specific reasons: ---** contd….

11(3A)CHANGE of PURPOSE POSSIBLE for Accumulation u/s 11(2)

11(4)BUSINESS under TRUST – Income to be computed as per the the provisions of this Act for the purpose of Assessment and where any income so determined is in excess of the income as shown in the accounts of the undertaking, such excess shall be deemed to be applied to purposes other than charitable or religious purposes.

11(4A)Sub-section (1) or sub-section (2) or sub-section (3) or sub-section (3A) shall not apply in relation to any income of a trust or an institution, being profits and gains of business, unless the business is incidental to the attainment of the objectives of the trust or, as the case may be, institution, and separate books of account are maintained by such trust or institution in respect of such business.]

DEDUCTION U/S 11 & 12

❖ **INCOME FALLS SHORT OF 85% for specific reasons:** contd….

11(5) MODES of INVESTMENT

11(6) DEPRECIATION

11(7) Where a trust or an institution has been granted registration under section 12AA or section 12AB] or has obtained registration at any time under section 12A [as it stood before its amendment by the Finance (No. 2) Act, 1996 (33 of 1996)] and the said registration is in force for any previous year, then, nothing contained in section 10 other than [clause (1), clause (23C), clause (23EC), clause (46) and clause (46A)]] thereof]] shall operate to exclude any income derived from the property held under trust from the total income of the person in receipt thereof for that previous year:]

DEDUCTION U/S 11 & 12

❖ **INCOME FALLS SHORT OF 85% for specific reasons: --- contd….**

1st Proviso

Provided that such registration shall become inoperative from the date on which the trust or institution is approved under clause (23C) of section 10 or [is notified [under clause (23EC) or clause (46)] or clause (46A)] of the said section, as the case may be, or the date on which this proviso has come into force, whichever is later, or, the 1st day of April of the previous year relevant to the assessment year for which the exemption is claimed under clause (46B) of the said section:

DEDUCTION U/S 11 & 12

❖ **INCOME FALLS SHORT OF 85% for specific reasons: --- contd….**

2nd Proviso

Provided further that the trust or institution, whose registration has become inoperative under the first proviso, may apply to get its registration operative [under section 12AA] [or section 12AB] subject to the condition that on doing so, the approval under clause (23C) of section 10 or notification [under [clause (23EA) or] clause (23EC) or [clause (23ED) or] clause (46) or clause (46A)] of the said section, as the case may be, to such trust or institution shall cease to have any effect from the date on which the said registration becomes operative and thereafter, it shall not be entitled to exemption under the respective clauses.]

Explanation.—ACTUAL PAYMENT - CASH BASIS- ONLY ACTUALLY PAID is allowable as APPLICATION of INCOME

CONDITIONS FOR APPLICABILITY OF SEC 11 & 12:

12A (1)The provisions of and section shall not apply in relation to the income of any trust or institution unless the following conditions are fulfilled, namely:—

(a) NOT APPLICABLE w.e.f. 01 JUNE 2007

(aa) the person in receipt of the income has made an application for registration of the trust or institution on or after the 1st day of June, 2007 in the prescribed form and manner to the [Principal Commissioner or] Commissioner and such trust or institution is registered under section 12AA;]

CONDITIONS FOR APPLICABILITY OF SEC 11 & 12:

12A (1)The provisions of and section shall not apply in relation to the income of any trust or institution unless the following conditions are fulfilled, namely:—

(ab) the person in receipt of the income has made an application for registration of the trust or institution, in a case where a trust or an institution has been granted registration under section 12AA or has obtained registration at any time under section 12A [as it stood before its amendment by the Finance (No. 2) Act, 1996 (33 of 1996)], and, subsequently, it has adopted or undertaken modifications of the objects which do not conform to the conditions of registration, in the prescribed form and manner, within a period of thirty days from the date of said adoption or modification, to the Principal Commissioner or Commissioner and such trust or institution is registered under section 12AA;]

CONDITIONS FOR APPLICABILITY OF SEC 11 & 12:

12A (1)The provisions of and section shall not apply in relation to the income of any trust or institution unless the following conditions are fulfilled, namely:—

(ac) notwithstanding anything contained in clauses (a) to (ab), the person in receipt of the income has made an application in the prescribed form and manner to the Principal Commissioner or Commissioner, for registration of the trust or institution,—

(i) where the trust or institution is registered under section 12A [as it stood immediately before its amendment by the Finance (No. 2) Act, 1996 (33 of 1996)] or under section 12AA [as it stood immediately before its amendment by the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (38 of 2020)], within three months from the first day of April, 2021;

CONDITIONS FOR APPLICABILITY OF SEC 11 & 12:

(ii) where the trust or institution is registered under section 12AB [or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10] and the period of the said registration [or approval, as the case may be,] is due to expire, at least six months prior to expiry of the said period;

(iii) where the trust or institution has been provisionally registered under section 12AB [or provisionally approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10], at least six months prior to expiry of period of the provisional registration [or provisional approval, as the case may be,] or within six months of commencement of its activities, whichever is earlier;

CONDITIONS FOR APPLICABILITY OF SEC 11 & 12:

(iv) where registration of the trust or institution has become inoperative due to the first proviso to sub-section (7) of , at least six months prior to the commencement of the assessment year from which the said registration is sought to be made operative;

(v) where the trust or institution has adopted or undertaken modifications of the objects which do not conform to the conditions of registration, within a period of thirty days from the date of the said adoption or modification;

CONDITIONS FOR APPLICABILITY OF SEC 11 & 12:

(vi) in any other case, where activities of the trust or institution have—

(A) not commenced, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said registration is sought;

(B) commenced and no income or part thereof of the said trust or institution has been excluded from the total income on account of applicability of sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, or or section , for any previous year ending on or before the date of such application, at any time after the commencement of such activities,]

and such trust or institution is registered under section 12AB:]

CONDITIONS FOR APPLICABILITY OF SEC 11 & 12:

Proviso for CONDONATION of DELAY

Provided that where the application is filed beyond the time allowed in sub-clauses (i) to (vi), the Principal Commissioner or Commissioner may, if he considers that there is a reasonable cause for delay in filing the application, condone such delay and such application shall be deemed to have been filed within time;]

CONDITIONS FOR APPLICABILITY OF SEC 11 & 12:

12A(1) The provisions of and section shall not apply in relation to the income of any trust or institution unless the following conditions are fulfilled, namely:—

(b) where the total income of the trust or institution as computed under this Act without giving effect to the provisions of and exceeds the maximum amount which is not chargeable to income-tax in any previous year,—

(i) the books of account and other documents have been kept and maintained in such form and manner and at such place, as may be prescribed; and

(ii) the accounts of the trust or institution for that year have been audited by an accountant defined in the Explanation below sub-section (2) of section 288 before the specified date referred to in section 44AB and the person in receipt of the income furnishes by that date the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars, as may be prescribed;]]

CONDITIONS FOR APPLICABILITY OF SEC 11 & 12:

12A(1) The provisions of and section shall not apply in relation to the income of any trust or institution unless the following conditions are fulfilled, namely:—

(ba) the person in receipt of the income has furnished the return of income for the previous year in accordance with the provisions of sub-section (4A) of section 139, within the time allowed under [sub-section (1) or sub-section (4) of] that section; w.e.f.AY 2018-19 / 2023-24

(c) [***]

CONDITIONS FOR APPLICABILITY OF SEC 11 & 12:

Section 12(2) :-

Provided that the provisions of and shall apply to a trust or institution, where the application is made under—

(a) sub-clause (i) of clause (ac) of sub-section (1), from the assessment year from which such trust or institution was earlier granted registration;

(b) sub-clause (iii) of clause (ac) of sub-section (1), from the first of the assessment year for which it was provisionally registered.

MERGER OF CHARITABLE TRUSTS OR INSTITUTIONS IN CERTAIN CASES. W.E.F. 01/04/2025

Section 12AC :-

Where any trust or institution registered under or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of , as the case may be, merges with another trust or institution, the provisions of Chapter XII-EB shall not apply if—

(a) the other trust or institution has same or similar objects;

(b) the other trust or institution is registered under or or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of , as the case may be; and

(c) the said merger fulfils such conditions as may be prescribed.

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Section 13(1) :-

Nothing contained in [or] shall operate so as to exclude from the total income of the previous year of the person in receipt thereof—

(a) any part of the income from the property held under a trust for private religious purposes which does not enure for the benefit of the public;

(b) in the case of a trust for charitable purposes or a charitable institution created or established after the commencement of this Act, any income thereof if the trust or institution is created or established for the benefit of any particular religious community or caste;

(bb) [***]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

13(1) Nothing contained in [or] shall operate so as to exclude from the total income of the previous year of the person in receipt thereof—

(c) in the case of a trust for charitable or religious purposes or a charitable or religious institution, any income thereof—

(i) if such trust or institution has been created or established after the commencement of this Act and under the terms of the trust or the rules governing the institution, any part of such income enures, or

(ii) if any part of such income or any property of the trust or the institution (whenever created or established) is during the previous year used or applied,

directly or indirectly for the benefit of any person referred to in sub- section (3) [, such part of income as referred to in sub-clauses (i) and (ii)] :

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

1st Proviso

Provided that in the case of a trust or institution created or established before the commencement of this Act, the provisions of sub-clause (ii) shall not apply to any use or application, whether directly or indirectly, of any part of such income or any property of the trust or institution for the benefit of any person referred to in sub-section (3), if such use or application is by way of compliance with a mandatory term of the trust or a mandatory rule governing the institution :

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

2nd Proviso

Provided further that in the case of a trust for religious purposes or a religious institution (whenever created or established) or a trust for charitable purposes or a charitable institution created or established before the commencement of this Act, the provisions of sub-clause (ii) shall not apply to any use or application, whether directly or indirectly, of any part of such income or any property of the trust or institution for the benefit of any person referred to in sub-section (3) in so far as such use or application relates to any period before the 1st day of June, 1970;

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

13(1) Nothing contained in [or] shall operate so as to exclude from the total income of the previous year of the person in receipt thereof—

(d) in the case of a trust for charitable or religious purposes or a charitable or religious institution, any income thereof, if for any period during the previous year—

(i) any funds of the trust or institution are invested or deposited after the 28th day of February, 1983 otherwise than in any one or more of the forms or modes specified in sub-section (5) of ; or

(ii) any funds of the trust or institution invested or deposited before the 1st day of March, 1983 otherwise than in any one or more of the forms or modes specified in sub-section (5) of continue to remain so invested or deposited after the 30th day of November, 1983; or

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

(iii) any shares in a company, other than—

(A) shares in a public sector company;

(B) shares prescribed as a form or mode of investment under clause (xii) of sub-section (5) of ,

are held by the trust or institution after the 30th day of November, 1983 [, to the extent of such deposits or investments referred to in sub-clauses (i), (ii) and (iii)]:]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Proviso to Claues (iii)

Provided that nothing in this clause shall apply in relation to—

(i) any assets held by the trust or institution where such assets form part of the corpus of the trust or institution as on the 1st day of June, 1973 [***];

(ia) any accretion to the shares, forming part of the corpus mentioned in clause (i), by way of bonus shares allotted to the trust or institution;]

(ii) any assets (being debentures issued by, or on behalf of, any company or corporation) acquired by the trust or institution before the 1st day of March, 1983;

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Proviso to Claues (iii)

Provided that nothing in this clause shall apply in relation to—

(iia) any asset, not being an investment or deposit in any of the forms or modes specified in sub-section (5) of , where such asset is not held by the trust or institution, otherwise than in any of the forms or modes specified in sub-section (5) of , after the expiry of one year from the end of the previous year in which such asset is acquired or the 31st day of March, [1993], whichever is later;]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Proviso to Claues (iii)

Provided that nothing in this clause shall apply in relation to—

(iii) any funds representing the profits and gains of business, being profits and gains of any previous year relevant to the assessment year commencing on the 1st day of April, 1984 or any subsequent assessment year.

Explanation.—Where the trust or institution has any other income in addition to profits and gains of business, the provisions of clause (iii) of this proviso shall not apply unless the trust or institution maintains separate books of account in respect of such business;]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Proviso to Claues (iii)

Provided that nothing in this clause shall apply in relation to—

(iv) any asset referred to in sub-clauses (i), (ia) and (ii) of clause (b) of the third proviso to clause (23C) of or any accretion to the shares, forming part of the corpus mentioned in the said sub-clauses (i) and (ia) and voluntary contributions referred to in sub-clause (iv) of clause (b) of the said proviso.]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Explanation to section 13(1)

For the purposes of sub-clause (ii) of clause (c), in determining whether any part of the income or any property of any trust or institution is during the previous year used or applied, directly or indirectly, for the benefit of any person referred to in sub-section (3), in so far as such use or application relates to any period before the 1st day of July, 1972, no regard shall be had to the amendments made to this section by [other than sub-clause (ii) of clause (a) thereof] of the Finance Act, 1972.]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Proviso to Claues (iii)

Provided that nothing in this clause shall apply in relation to—

(iv) any asset referred to in sub-clauses (i), (ia) and (ii) of clause (b) of the third proviso to clause (23C) of or any accretion to the shares, forming part of the corpus mentioned in the said sub-clauses (i) and (ia) and voluntary contributions referred to in sub-clause (iv) of clause (b) of the said proviso.]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Section 13(2) :- Without prejudice to the generality of the provisions of clause (c) [and clause (d)] of sub-section (1), the income or the property of the trust or institution or any part of such income or property shall, for the purposes of that clause, be deemed to have been used or applied for the benefit of a person referred to in sub-section (3),—

(a) if any part of the income or property of the trust or institution is, or continues to be, lent to any person referred to in sub-section (3) for any period during the previous year without either adequate security or adequate interest or both;

(b) if any land, building or other property of the trust or institution is, or continues to be, made available for the use of any person referred to in sub-section (3), for any period during the previous year without charging adequate

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

(b) if any land, building or other property of the trust or institution is, or continues to be, made available for the use of any person referred to in sub-section (3), for any period during the previous year without charging adequate rent or other compensation;

(c) if any amount is paid by way of salary, allowance or otherwise during the previous year to any person referred to in sub-section (3) out of the resources of the trust or institution for services rendered by that person to such trust or institution and the amount so paid is in excess of what may be reasonably paid for such services;

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

(d) if the services of the trust or institution are made available to any person referred to in sub-section (3) during the previous year without adequate remuneration or other compensation;

(e) if any share, security or other property is purchased by or on behalf of the trust or institution from any person referred to in sub-section (3) during the previous year for consideration which is more than adequate;

(f) if any share, security or other property is sold by or on behalf of the trust or institution to any person referred to in sub-section (3) during the previous year for consideration which is less than adequate;

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

(g) if any income or property of the trust or institution is diverted during the previous year in favour of any person referred to in sub-section (3):

Provided that this clause shall not apply where the income, or the value of the property or, as the case may be, the aggregate of the income and the value of the property, so diverted does not exceed one thousand rupees;]

(h) if any funds of the trust or institution are, or continue to remain, invested for any period during the previous year (not being a period before the 1st day of January, 1971), in any concern in which any person referred to in sub-section (3) has a substantial interest.

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Section 13(3) :- The persons referred to in clause (c) of sub-section (1) and sub-section (2) are the following, namely :—

(a) the author of the trust or the founder of the institution;

(b) any person who has made a substantial contribution to the trust or institution, [that is to say, any person whose total contribution up to the end of the relevant previous year exceeds [fifty] thousand rupees];

(c) where such author, founder or person is a Hindu undivided family, a member of the family;

(cc) any trustee of the trust or manager (by whatever name called) of the institution;]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Section 13(3) :- The persons referred to in clause (c) of sub-section (1) and sub-section (2) are the following, namely :—

(d) any relativeof any such author, founder, person, [member, trustee or manager] as aforesaid;

(e) any concern in which any of the persons referred to in clauses (a), (b), (c) [, (cc)] and (d) has a substantial interest.

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Section 13(4):- Notwithstanding anything contained in clause (c) of sub-section (1) [but without prejudice to the provisions contained in clause (d) of that sub-section], in a case where the aggregate of the funds of the trust or institution invested in a concern in which any person referred to in sub-section (3) has a substantial interest, does not exceed five per cent of the capital of that concern, the exemption under [or] shall not be denied in relation to any income other than the income arising to the trust or the institution from such investment, by reason only that the [funds] of the trust or the institution have been invested in a concern in which such person has a substantial interest.

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Section 13(5):- Notwithstanding anything contained in clause (d) of sub-section (1), where any assets (being debentures issued by, or on behalf of, any company or corporation) are acquired by the trust or institution after the 28th day of February, 1983 but before the 25th day of July, 1991, the exemption under or shall not be denied in relation to any income other than the income arising to the trust or the institution from such assets, by reason only that the funds of the trust or the institution have been invested in such assets if such funds do not continue to remain so invested in such assets after the 31st day of March, 1992.]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Section 13(5):- Notwithstanding anything contained in clause (d) of sub-section (1), where any assets (being debentures issued by, or on behalf of, any company or corporation) are acquired by the trust or institution after the 28th day of February, 1983 but before the 25th day of July, 1991, the exemption under or shall not be denied in relation to any income other than the income arising to the trust or the institution from such assets, by reason only that the funds of the trust or the institution have been invested in such assets if such funds do not continue to remain so invested in such assets after the 31st day of March, 1992.]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Section 13(6) :- Notwithstanding anything contained in sub-section (1) or sub-section (2), but without prejudice to the provisions contained in sub-section (2) of , in the case of a charitable or religious trust running an educational institution or a medical institution or a hospital, the exemption under or shall not be denied in relation to any income, other than the income referred to in sub-section (2) of , by reason only that such trust has provided educational or medical facilities to persons referred to in clause (a) or clause (b) or clause (c) or clause (cc) or clause (d) of sub-section (3).]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Section 13(7) :- Nothing contained in or shall operate so as to exclude from the total income of the previous year of the person in receipt thereof, any anonymous donation referred to in on which tax is payable in accordance with the provisions of that section.]

Section 13(8) :- Nothing contained in or shall operate so as to exclude any income from the total income of the previous year of the person in receipt thereof if the provisions of the first proviso to clause (15) of become applicable in the case of such person in the said previous year.]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Section 13(9) :- Nothing contained in sub-section (2) of shall operate so as to exclude any income from the total income of the previous year of a person in receipt thereof, if—

(i) the statement referred to in clause (a) of the said sub-section in respect of such income is not furnished on or before the due date specified under sub-section (1) of for furnishing the return of income for the previous year; or [contradictory to the conditions of TWO months prior u/s 11(2)].

(ii) the return of income for the previous year is not furnished by such person on or before the due date specified under sub-section (1) of for furnishing the return of income for the said previous year.]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Section 13(10) :- DEDUCTION of EXPENSES on OBJECTS allowed: Where the provisions of sub-section (8) are applicable to any trust or institution or it violates the conditions specified under clause (b) or clause (ba) of sub-section (1) of , its income chargeable to tax shall be computed after allowing deduction for the expenditure (other than capital expenditure) incurred in India, for the objects of the trust or institution, subject to fulfilment of the following conditions, namely:—

(a) such expenditure is not from the corpus standing to the credit of the trust or institution as on the end of the financial year immediately preceding the previous year relevant to the assessment year for which income is being computed;

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

(b) such expenditure is not from any loan or borrowing;

(c) claim of depreciation is not in respect of an asset, acquisition of which has been claimed as application of income, in the same or any other previous year; and

(d) such expenditure is not in the form of any contribution or donation to any person.

Explanation—For the purposes of determining the amount of expenditure under this sub-section, the provisions of sub-clause (ia) of clause (a) of and sub-sections (3) and (3A) of , shall, mutatis mutandis, apply as they apply in computing the income chargeable under the head "Profits and gains of business or profession".

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Section 13(11) :- For the purposes of computing income chargeable to tax under sub-section (10), no deduction in respect of any expenditure or allowance or set-off of any loss shall be allowed to the assessee under any other provision of this Act.]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Explanation 1 — For the purposes of , , [, ,] and this section, "trust" includes any other legal obligation and for the purposes of this section "relative", in relation to an individual, means—

(i) spouse of the individual;

(ii) brother or sister of the individual;

(iii) brother or sister of the spouse of the individual;

(iv) any lineal ascendant or descendant of the individual;

(v) any lineal ascendant or descendant of the spouse of the individual;

(vi) spouse of a person referred to in sub-clause (ii), sub-clause (iii), sub-clause (iv) or sub-clause (v);

(vii) any lineal descendant of a brother or sister of either the individual or of the spouse of the individual.]

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Explanation 2. — A trust or institution created or established for the benefit of Scheduled Castes, backward classes, Scheduled Tribes or women and children shall not be deemed to be a trust or institution created or established for the benefit of a religious community or caste within the meaning of clause (b) of sub-section (1).

SECTION 11 NOT TO APPLY IN CERTAIN CASES.

Explanation 3.— For the purposes of this section, a person shall be deemed to have a substantial interest in a concern,—

(i) in a case where the concern is a company, if its shares (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) carrying not less than twenty per cent of the voting power are, at any time during the previous year, owned beneficially by such person or partly by such person and partly by one or more of the other persons referred to in sub-section (3);

(ii) in the case of any other concern, if such person is entitled, or such person and one or more of the other persons referred to in sub-section (3) are entitled in the aggregate, at any time during the previous year, to not less than twenty per cent of the profits of such concern.]

AUDIT OF TRUSTS:

Form 10B	Form 10BB
❖ **Applicability** **Type of Trust** Section 10(23C)(iv) ,Section 10(23C) (v) Section 10(23C) (vi) ,Section 10(23C) (via) Section 11 **Conditions :** Having total income of fund exceeds Rs 5Cr. OR Received Foreign contribution under FCRA 2(1)(h) OR Has applied part of its income outside India during previous year	
Registration Details Required together with details of Provisional registration and commencement of Activities	No Registration details required however details of provisional registration and commencement of activities

AUDIT OF TRUSTS:

Form 10B	Form 10BB
Books of Accounts as per rule 17AA Answer has to be given for each books prescribed under the rule 17AA	General Question as to maintenance of Books as per Rule 17AA
Details of project run / institution run by the auditee and whether those are in the nature of trade, commerce or business and percentage of receipt from such activity	No such details required
Any modification done to object of the trust	No such details required
Details of Immovable sold to Specified Person	No such details required
Details of income or property diverted during the year	No such details required
Details of fund, invested in any concern in which specified person has substantial interest.	No such details required
Any violation of Law	No such details required

AUDIT OF TRUSTS:

Form 10B	Form 10BB
Detail Donation reporting Like Separate amount for -Donation reported in 10BD -Donation from 80G(2)(b) -Donation other than from 80G(2)(b) or 80G(2)(a)(iv) -Cash Donation > 2000 -Donation received from other Charitable trust -Donation without identity -Donation in Kind -Anonymous Donation -Foreign contribution -Corpus and non corpus donation	Total Donation Donation reported in 10BD Donation not reported in 10BD Total Foreign Contribution Corpus Donation Anonymous Donation Application outside India for which approval is obtained

AUDIT OF TRUSTS:

Form 10B	Form 10BB
Extra Comprehensive segments Sources of Income Application of Income (net of Disallowances) Sec 115BBI (30% Tax) Other Income Capital Assets Application from Other Sources - out of Income Accumulated from earlier years - out of Income deemed to be applied under clause 2 of Exp 1 to 11(1) - out of Corpus - Borrowed fund - Any other Every application has to be bifurcated into Electronic and Other mode of Payment (other than cheque)	Three Main Segment of Reporting Sources of Income Application from Current Income Application from Other Sources - out of Income Accumulated from earlier years - out of Income deemed to be applied under clause 2 of Exp 1 to 11(1) - out of Corpus - Borrowed fund - Any other
Movement of Corpus	NO DETAILS

AUDIT OF TRUSTS:

Form 10B	Form 10BB
High value transaction with single person in excess of Rs 50 Lacs Expenditure incurred for Religious Purpose Details of Transaction under sec 13(2)- Specified Persons Specified violation as per Expl 2 to 15th Provisio to 10(23C) or Expl to 12AB(4)	Specified Person (New Limits of Rs 1 Lac (in the previous year and aggregate 10 Lacs) No such Details Details of Transaction under sec 13(2)- Specified Persons Specified violation as per Expl 2 to 15th Provisio to 10(23C) or Expl to 12AB(4)
Detail of Foreign Contribution Corpus Non Corpus	TOTAL DETAILS only
Details of Loan and Borrowing	No details
Details of Income applied outside India	Details of Income applied outside India
Details of Deemed Application (F9A)	No details

AUDIT OF TRUSTS:

Form 10B	Form 10BB
High value transaction with single person in excess of Rs 50 Lacs Expenditure incurred for Religious Purpose Details of Transaction under sec 13(2)- Specified Persons Specified violation as per Expl 2 to 15th Provisio to 10(23C) or Expl to 12AB(4)	Specified Person (New Limits of Rs 1 Lac (in the previous year and aggregate 10 Lacs) No such Details Details of Transaction under sec 13(2)- Specified Persons Specified violation as per Expl 2 to 15th Provisio to 10(23C) or Expl to 12AB(4)
Detail of Foreign Contribution Corpus Non Corpus	TOTAL DETAILS only
Details of Loan and Borrowing	No details
Details of Income applied outside India	Details of Income applied outside India
Details of Deemed Application (F9A)	No details
Details of Accumulation (F10)	No such details required
Details of Property lent to Specified Person	No such details required except total

AUDIT OF TRUSTS:

Form 10B	Form 10BB
Details of Land, building or other property which is or continues made available to specified person	No such details required
Details of Services of trust made available to specified person	No such details required
Details of security, shares is purchased from specified person	No such details required

ITR OF THE TRUST

- **Matching of audit report and ITR**

  ITR : Schedule I and IA - Details of amounts accumulated / set apart within the meaning of section 11(2) or in terms of third proviso to section 10(23C)/10(21)/10(21) read with section 35(1).

Vis a Vis

- **Form 10B: Schedule AC and ACA :The details of accumulation**

  ITR : Schedule D and DA - Details of deemed application of income under clause (2) of Explanation 1 to sub-section (1) of section 11.

Vis a Vis

- **Form 10B: Schedule DI and DA: The details of accumulation**

  ITR : Schedule J – Details of Corpus

Vis a Vis

ITR OF THE TRUST

- **Form 10B: Schedule Corpus**

  ITR : Schedule LB – Details of Loans and Borrowing

Vis aVis

- **Form 10B: Schedule Details of Loan and Borrowing**

  ITR : ScheduleVC – Voluntary Contribution

Vis aVis

- **Form 10B:Voluntary Contribution**

  ITR : Schedule A – Application of Amount

Vis aVis

- **Form 10B: Schedule Application of Income**

ITR OF THE TRUST

139(4A) ---- GENERAL TRUST

139(4B) ---- POLITICAL PARTY

139(4C)---- 10(23C)(iiiab),(iiiac),(iiiad), (iiiae),(iv),(v),(vi),(via)+ several others

If the Forms / Audit Report / Return of Income not filed in time as provided in the Statute, Deduction u/s 11 & 12 not allowable.

DELAY CONDONATION

- Several circulars of CBDT for condonation of DELAY in filing FORM 10B, 10BB, 10, 9A. A general SOP is developed that up to 365 days CIT/PCIT(E) would allow Condonation. Up to 3 years PCCIT (E) would allow. Any application for Condonation can be made within 3 years from the end of the relevant Assessment Year.

- For registration u/s 12A, the condonation provisions are part of the Statute as per proviso to Section 12(1)(ac).

TRUSTS COVERED U/S 10(23C) - GROSS RECEIPTS UP TO RS 5 CRORES (CLAUSE (IIIAB), (IIIAC), (IIIAD) & (IIIAE)

Clause (iiiab)---

University or other educational institutions existing **SOLELY** for educational purposes and not for purposes of profit and **wholly or substantially financed by the Government.**

RULE 2BBB prescribes that exceeding 50% grant would be considered as Substantial.

Clause (iiiad)---

University or other educational institutions existing **SOLELY** for educational purposes and not for purposes of profit if the aggregate annual receipts of the person from such University or Universities or educational institution or educational institutions **do not exceed FIVE CRORES**.

TRUSTS COVERED U/S 10(23C) - GROSS RECEIPTS UP TO RS 5 CRORES (CLAUSE (IIIAB), (IIIAC), (IIIAD) & (IIIAE)

Clause (iiiac)---

Any hospital or other institutions for the reception and treatment of persons suffering from illness or mental defectiveness or for the reception and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation, **existing solely** for philanthropic purpose and not for purposes of profit and which is wholly or substantially financed by the Government

RULE 2BBB prescribes that exceeding 50% grant would be considered as Substantial.

TRUSTS COVERED U/S 10(23C) – GROSS RECEIPTS UP TO RS 5 CRORES (CLAUSE (IIIAB), (IIIAC), (IIIAD) & (IIIAE)

Clause (iiiae)---

Any hospital or other institutions for the reception and treatment of persons suffering from illness or mental defectiveness or for the reception and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation, **existing solely** for philanthropic purpose and not for purposes of profit and if the aggregate annual receipts of the person from such Hospital or hospitals or institution or institutions **do not exceed FIVE CRORES**.

Explanation – The limit of FIVE CRORES in aggregate for both the clauses (iiiad & iiiae) taken together.

NO REGISTRATION u/s 12A is required

ACCRETED INCOME (SECTION 115TD)

(a) converted into any form which is not eligible for grant of registration under section 12AA or section 12AB, or approval under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10;

(b) merged with any entity other than an entity which is a trust or institution having objects similar to it and registered under section 12AA or section 12AB or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10; or

ACCRETED INCOME (SECTION 115TD)

(c) failed to transfer upon dissolution all its assets to any other specified person within a period of twelve months from the end of the month in which the dissolution takes place,

then, in addition to the income-tax chargeable in respect of the total income of such specified person, the accreted income of the specified person as on the specified date shall be charged to tax and such specified person shall be liable to pay additional income-tax (herein referred to as tax on accreted income) at the maximum marginal rate on the accreted income.

ACCRETED INCOME (SECTION 115TD)

U/sub-section 1(a), deemed to have been converted the following

(i) the registration or approval granted to it under section 12AA, or section 12AB, or sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, has been cancelled; or

(ii) it has adopted or undertaken modification of its objects which do not conform to the conditions of registration and it-

(a) has not applied for fresh registration under section 12AA, or section 12AB, or approval under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 in the said previous year; or

ACCRETED INCOME (SECTION 115TD)

U/sub-section 1(a), deemed to have been converted the following

(b) has filed application for fresh registration under section 12AA, or section 12AB, or approval under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 but the said application has been 1[rejected; or]]

(iii) it fails to make an application in accordance with the provisions of clause (i) or clause (ii) or clause (iii) of the first proviso to clause (23C) of section 10 or sub-clause (i) or sub-clause (ii) or sub-clause (iii) of clause (ac) of sub-section (1) of section 12A, within the period specified in the said clauses or sub-clauses, as the case may be, which expires in the said previous year.]

ANONYMOUS DONATION (115BBC)

- WHOLLY RELIGIOUS PURPOSE

  NOT Applicable

- CHARITABLE PURPOSE

  APPLICABLE

- WHOLLY RELIGIOUS cum CHARITABLE PURPOSE

  NOT Applicable other than education and Medical institution, hospiatal

TAXABILITY OF SPECIFIED INCOME (SECTION 115BBI)

- ❖ Benefit of SLAB RATE

MISC

- BOOKS OF ACCOUNT and PLACE of KEEPING (Rule 17AA)

Thank You

CA Suresh Kabra

एस के काबरा एhड कàपनी

Surat, Gujarat