

Taxation of Charitable and Religious Trusts Overview, Recent Developments & Practical Issues

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Coverage

- Overview
- Amendments brought in by Finance Acts 2020, 2021, 2022 & 2023
- Circular – 6 / 2023 dated 24.05.2023
- ITR 7 – No significant changes seen except to give effect to amendments, that are discussed in this paper. **Listing of expenses head-wise is not there this time.**
- Certain practical issues
- Major Changes brought in Form 10B & 10BB

Overview

- History from 1973 – Then FCRA in 1976 – Misuse led to tightening of the noose.
- Sections discussed are 11, 12, 12A, 12AA, 12AB and 13. Also reference is made to S 10(23C) & S 80G, wherever necessary
- Assessee should be a legally constituted entity (i.e. public trust, declared religious trust, society, not-for-profit company etc.)
 - The objects shall be *either*
 - Public religious purposes *or*
 - Public charitable purposes as envisaged in S 2(15)
- Computation and assessment of trusts is distinct from that of a business entity. For e.g., trust can c/f income, claim capital expenses, capital receipts are taxable etc.

Overview - Charitable purposes – S. 2(15)

1. Relief of the poor
2. Education
3. Medical relief
4. Yoga
5. Preservation of environment, monuments, places of artistic / historical relevance etc.
6. Advancement of any other objects of general public utility – E.g. library, gaushala, sports promotion, arts promotion etc.

Overview - Object of general public utility not to comprise receipts from trade, commerce, business etc.

- There is no total embargo on commercial receipts. Receipts from these activities up to the following limits are acceptable
 - AY 2009-10 to 2011-12: up to Rs. 10 lakhs/year
 - AY 2012-13 to 2015-16: up to Rs. 25 lakhs/year
 - From AY 2016-17: up to 20% of the total receipts
- This embargo does not apply to
 - Public religious trusts
 - Charitable trusts carrying on the first five limbs of charity as defined in S. 2(15) – Circular 11/2008 dt 19.12.2008

Trade associations carrying out commercial activities will be hit – They can charge fees at cost or with nominal margin – ACIT vs. Ahmedabad Urban Development Authority (SC) (2022) 143 taxmann.com 278 (SC) 19.10.2022

Reporting requirement in new 10B

Overview - Pitfalls

- Religious trust can do charity but a charitable trust cannot pursue religious objects – Charitable trust having mixed objects – very dangerous scenario
- Problem situations – Charitable trust with religious objects, public religious trusts with private religious objects, benefits given to specified persons, trust property misused, amounts not invested in specified mode, problems in accounts, audit, Violation of other allied laws, ITR / TAR non filing etc. – Can lead to denial / disallowance of exemption, cancellation of registration and accreted tax.
- Denial of exemption vs. cancellation of regn

Overview – source of income and application of income

- Sources of income
 - Voluntary Contributions (domestic / foreign / anonymous / kind)
 - Corpus Donation (Donor direction, Investment u/s 11(5))
 - Income from property held under trust
 - Other income including interest
 - Income exempt under other sections (Agri Inc, S 10(23C))
- Application of income (Revenue or capital permissible)
 - Not less than 85% of CY income to be applied in India for charitable or religious purposes (on cash basis).
 - Spending from earlier year's surplus, corpus donation, loans etc not treated as application of income
 - Depreciation not deductible if cost of asset is claimed as application of income

Overview Accumulations of income

- Section 11(1) – 15% of Income of CY
- Explanation to S 11(1) – Accumulate till the year of receipt or next year (after stating the reason for shortfall), as the case may be. Option (Form 9 A) to be exercised within 2 months before the ITR due date. (income not received or any other reason) – Relaxed by Circular 6 / 2023 – Form 9A to be filed within 139(1) due date – Condonation of delay upto 3 years by PCIT and delay upto 365 days by CIT – Cir 17/2022
- Section 11(2) – Can be accumulated for a period up to 5 years (after stating the purpose). Option (Form 10) to be exercised within 2 months before the ITR due date. Invest as per S11(5) – Relaxed by Circular 6 / 2023 – Form 10 to be filed within 139(1) due date – Condonation of delay upto 3 years by PCIT and delay upto 365 days by CIT – Cir 17/2022

Overview – other conditions

- Trusts having business income – business should be incidental to objects, books to be maintained & income to be used for objects
- Registration of trusts now compulsory u/s 12AB (10(23C) and 80G also as the case may be) – *Earlier Sections 12A/12AA – Relaxation by Cir 6 / 2023*
- Maintain books (Rule 17AA)
- Get accounts audited and file audit report by due date (Form 10B / Form 10BB) – 1 month prior to S.139(1)
- 10 (23C) – 5 crore income institutions – audit not required – ITR must – registration not required
- File ITR u.s.139(4A) – (139(1) or 139(4) ?)– *circular 173/193/2019-ITA-I-23.04.2019 – can't claim by updated return*
- Order of filing - Form 10 / 9A, 10B and then ITR

Overview – Anonymous Donations (S. 115 BBC)

- Donation where donor's identity is unknown (be careful with UPI and imps fund transfers)
- Not taxable in the case of religious trusts and religious and charitable trusts receiving anonymous donations for religious purposes.
- For others anonymous donations are taxable at 30% + SC + Cess
- Threshold limit – Rs. 1,00,000 or 5% of total donations, whichever is higher

Overview – Tax at special situations

- When assessment of a year is completed without giving exemption – Assessed income of that year is taxable at MMR – till AY 2022-23 and from subsequent years 30%. This is a year to year affair. Note – AO cannot cancel registration.
- Exit tax on conversion to non charitable trust or trust cease to exist – E.g. cancellation of registration, modification of objects without taking fresh registration etc. – Exit tax = Accreted income x MMR, where Accreted income is the value of net assets on the specified date.

Finance Act 2020

- Provisions regarding re-registration, provisional registration, regularisation of provisional registration etc. introduced in Sections 10(23C), 12AB & 80G. Cut off date got extended up to 31.03.2022 – Discussed elsewhere. **Re registration time further extended to 25.11.2022. Again extended to 30.09.2023.**
- Audit reports – Form 10B or Form 10BB – now required to be e-filed 1 month prior to the ITR due date u/s 139(1) – earlier they need be filed only along with ITR (wef AY 2020-21) – Refer circular 15/2022 & 16/2022 for CIT's power to condone delay. – Forms have undergone change
- Corpus donation given to other registered entities shall not be regarded as application of income u.s. 11 & 10(23C) – (wef AY 2020 – 21)
- Section 80G – Filing of statement in respect of donors – Forms 10BD & 10BE – Cut off date got extended up to 30.06.2023 from 31.05.2023 – Circular 6 /2023. - Failure – Late fee Rs. 200 per day (S. 234G) – Penalty Rs. 10K to Rs. 100 K (S. 271 K)

Finance Act 2021

- Section 10(23C) – (iiiad) & (iii ae) – Small income institutions (**educational / medical**)– Ceiling enhanced from Rs. 1 crore to Rs. 5 Crores (wef AY: 2022 – 23)
- Amendment common to S 11 and S 10(23C) – wef AY: 2022 – 23
 - **Corpus donations must be invested in S 11(5) modes**
 - **Amounts spent from the following sources will not be allowed as application of income**
 - **Corpus donation**
 - **Income accumulated to the extent of 15% year to year**
 - **Loans.**

However when the funds are replenished or loan is repaid, application disallowed can be claimed as deduction – Refer Finance Act 2023 also

- **Excess application of earlier years cannot be set off**

Finance Act 2022

- Two regimes are spelt out
 - Section 10(23C) regime (10(23C) cases)
 - Section 12A / 12AA / 12AB r/w/s 11 regime (12 A Cases)
- 12 A cases have self contained code for taxation. However, 10(23C) cases depend on 12A provisions on many procedural aspects like accumulation of income, related party transactions etc.
- The amendments mainly seek to bring consistency between S 10(23C) and S 12A.

FA: 2022 – Amendments to bring consistency

- A trust/institution is required to apply at least 85 percent of its income towards charitable activities in a particular year. However, in the event this threshold is not met, the law allows for **accumulation of funds** to be applied for charitable purposes in the future years (**not exceeding 5 years**). Such accumulation is subject to certain conditions (S 11(2) / 11(5) etc). Now, such conditions are **made applicable to 10(23C) cases also**. (AY 2023-24)
- Currently, under the 12A regime, income diverted/excessive **benefits provided to trustees/other specified persons** result in such amount becoming taxable for the trust/institution. Now, such conditions are **made applicable to 10(23C) cases also**. (AY: 2023 – 24)
- Currently, under the 12A regime, there is a requirement to **file a Return of Income** for claiming exemption. Now, such a condition is **made applicable to 10(23C) cases also**. (AY 2023 – 24)
- Currently, re-organisation (i.e., conversion, merger or transfer of assets on dissolution) of trusts/institutions governed by 12A regime with any non-qualifying entity (i.e., an entity that is not governed by either of the regimes) triggers a taxation under the **accrued income provisions**. Now, the accrued income provisions are **made applicable to 10(23C) regime as well**. AY 2023-24 ¹⁵

FA 2022 - Period of utilisation of accumulation

- A trust/institution is required to apply at least 85 percent of its income towards charitable activities in a particular year. However, in the event this threshold is not met, the law allows for the **accumulation of funds** to be applied for charitable purposes in the future years (not exceeding **5 years**), subject to certain conditions.

- Earlier, such **accumulated funds could be applied even in the year subsequent to the previous year upto which accumulation is done**—if it is not used in such subsequent year as well, then the funds not applied become taxable in such subsequent year.

- Now, **the option of allowing application in such subsequent year is done away with** — therefore, if the accumulated funds are not entirely applied up to the previous year of accumulation, then the funds not applied become taxable in such last year.

- Effective from AY 2023-24

- Issue - income accumulated in earlier years - whether become income in the 6th year or 5th year ?

FA 2022 – Application of income to be reckoned only on ‘payment’ basis

- Currently, there is no explicit provision determining the manner of reckoning the application of income (i.e., either accrual basis or cash basis could be followed).
- Now, it is proposed that the **application of income shall be reckoned only on ‘payment’ basis.**
- This change is effective from FY 2021–22 (AY: 2022 – 23)*
- Closing balances of creditors and accounts payable must be reduced from application of income. In the first year we cannot add thereto opening balance of creditors and accounts payable. Whether advances paid could be deducted is a debatable point.

FA: 2022 – Computation of taxable income resulting on account of certain prescribed non-compliances

AY 2023 – 24 onwards

- Currently, there is no explicit provision determining the manner of computation of taxable income resulting on account of non-compliances. **Presently officers tax the gross receipts without allowing application of income.**

- Now, it is provided that the taxable income resulting on account of prescribed non-compliances (such as (a) **not maintaining prescribed books** of accounts, (b) **not filing the Return of Income**, and (c) **carrying on commercial activities for consideration** beyond the prescribed threshold of 20%) shall be computed **after allowing deduction of revenue expenditure** incurred in India, but subject to the following conditions:

- Expenditure should not be a donation or contribution to any person.
- Expenditure incurred without withholding appropriate tax or expenditure incurred in cash beyond the prescribed threshold shall not be allowed.
- Expenditure incurred from the corpus or any loan or borrowing shall not be allowed.
- Depreciation on an asset, the cost of which is claimed as application of income in any year, shall not be allowed.

FA: 2022 – New tax rate prescribed for certain specified income – 115BBI

- Currently, there is an ambiguity on the tax rate that applies, where certain specified income of the trust/ institution become taxable.
- Now, it is provided that **specified income** (resulting from violations such as (i) accumulation of funds for prohibited purposes, (ii) partial application of accumulated funds, (iii) deployment of funds in prohibited investments, and (iv) diversion of income/provision of excessive benefits to trustees/other specified persons) would be taxable at a **flat rate of 30 percent (plus applicable surcharge if any and cess)** without reduction of any expenditure or allowances or set off of losses.
- Other incomes (if any) of the trust/institution will be taxable per the currently applicable provisions.

FA: 2022 – Proportionate income (instead of entire income) now made taxable on account of prescribed non-compliance

- It is provided that if trust/institution **diverts income/ provides excessive benefits to trustees/other specified persons or deploys its funds in prohibited investments only that part of income** that is diverted/regarded as excessive benefit/deployed in prohibited investments **would be taxable.** (items iii & iv) in the previous slide
- This position has been upheld in certain rulings even before the amendment. As discussed above, such income will be taxable at a flat rate of 30 percent without any deductions.

FA 2022: – Penalty for diversion of income/provision of excessive benefits to trustees/other specified persons - Section 271 AAE

- **A trust/institution will be liable to penalty for diversion of income/provision of excessive benefits to trustees/ other specified persons.**
- **The penalty will be equal to 100 percent of the amount diverted in case of the first instance and will go up to 200 percent of the amount diverted in case of violations in subsequent years.**
- This penalty will be in addition to any other penalties that may be levied under the existing law.

FA: 2022 – Streamlining of the administrative/procedural framework

- Maintenance of the prescribed books of accounts
 - Where the total income of the trust/institution exceeds the basic exemption limit, it is required to get its books of accounts audited.
 - Currently, there are no specific books of accounts that the trust/institution is required to maintain.
 - Now, it is proposed that such a trust / institution would be required to maintain the prescribed books of accounts.
 - Reference to Rule is made in Form 10B and 10BB Forms
 - Rule 17AA notified on 10.08.2022 – Refer notification GSR 622(E) dated 10.08.2022 (<https://taxguru.in/income-tax/books-accounts-maintained-university-charitable-medical-institutions.html>)

Summary of Rule 17AA (Content courtesy – Taxguru)

- Every charitable institution is required to keep and maintain the following books of accounts and other documents:
 - Books of account including the cash book, ledger, journal, copies of bills, original bills, and any other books.
 - Books of account for a business undertaking and business carried on by assessee
 - Other documents for maintaining a record of:
 - All projects and Institutions run by the person containing details of the name address and objectives
 - Income in respect of voluntary contribution containing details of donor
 - income from property held under trust along with the list of such property and other income of institution or trust, etc
 - The application of income in and outside India, deemed application of income, income accumulated or set apart, money invested in the specified mode etc
 - Voluntary contribution received and its application
 - Loans and borrowings
 - Properties held by trust
 - Details of specified persons

Summary of Rule 17AA contd...

Mode in which documents may be kept

The books of account and other documents may be kept in written form, electronic form, digital form or as printouts of data stored digitally

Place where to be kept

The books of account and other documents shall be kept and maintained by the entities at their registered office. However books may be kept in another place if management decides to do so by passing a resolution.

Period for which books to be maintained

The books of account and other documents shall be kept and maintained for 10 years from the end of the relevant assessment year

FA : 2022 – Withdrawal of registration/approval provisions revamped

- The provisions dealing with withdrawal of the registration/approval of a trust / institution have been revamped.
- Notably, the new provisions enumerate certain 'specified violations' that will lead to a withdrawal of the registration/approval—amongst them is having a business that is not incidental to the attainment of its objectives, material non-compliances in other legislations, etc.

Finance Act 2023

For the discussions below

Regime 1	Entities referred to in section <ul style="list-style-type: none">• 10(23C)(iv) – Approved charitable trust• 10(23C)(v) – Public religious or religious / charitable trust• 10(23C)(vi) – University / Educational Institutions• 10(23C)(via) – Hospital / Medical institutions
Regime 2	12AA / 12AB registered entities

FA 2023 – Allowability vis-a- vis depositing back of amount spent from corpus

Section: Regimes 1 & 2

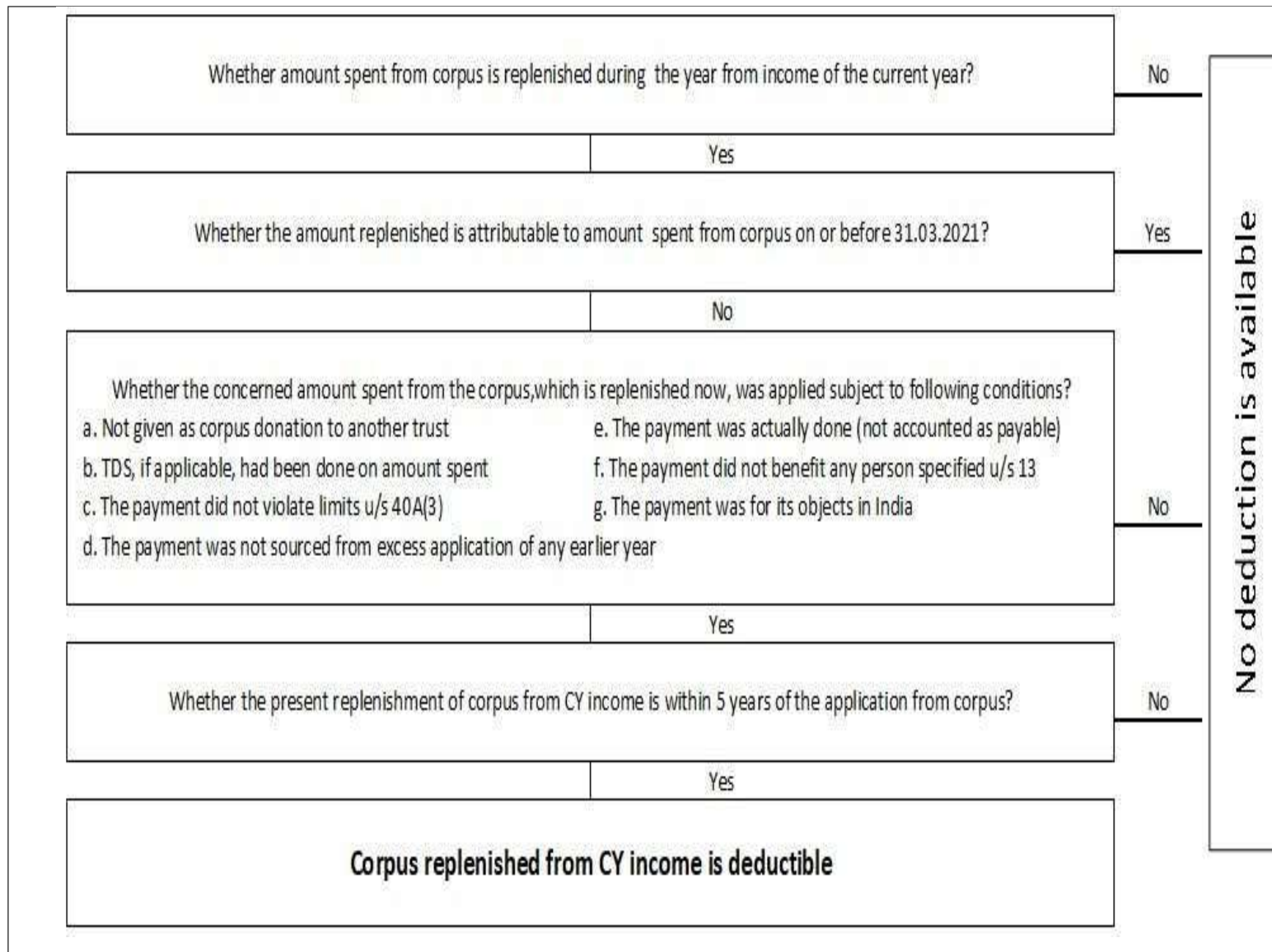
Clause of FB: 5

Effective date: AY 2023 – 24

Discussion

- **Amount spent from corpus donation is not allowed as deduction.**
- **But if amount spent from corpus donation is replenished from income it can be claimed as application subject to conditions**

Proposal



FA 2023 – Allowability vis-a- vis repayment of loan

Section: Regimes 1 & 2

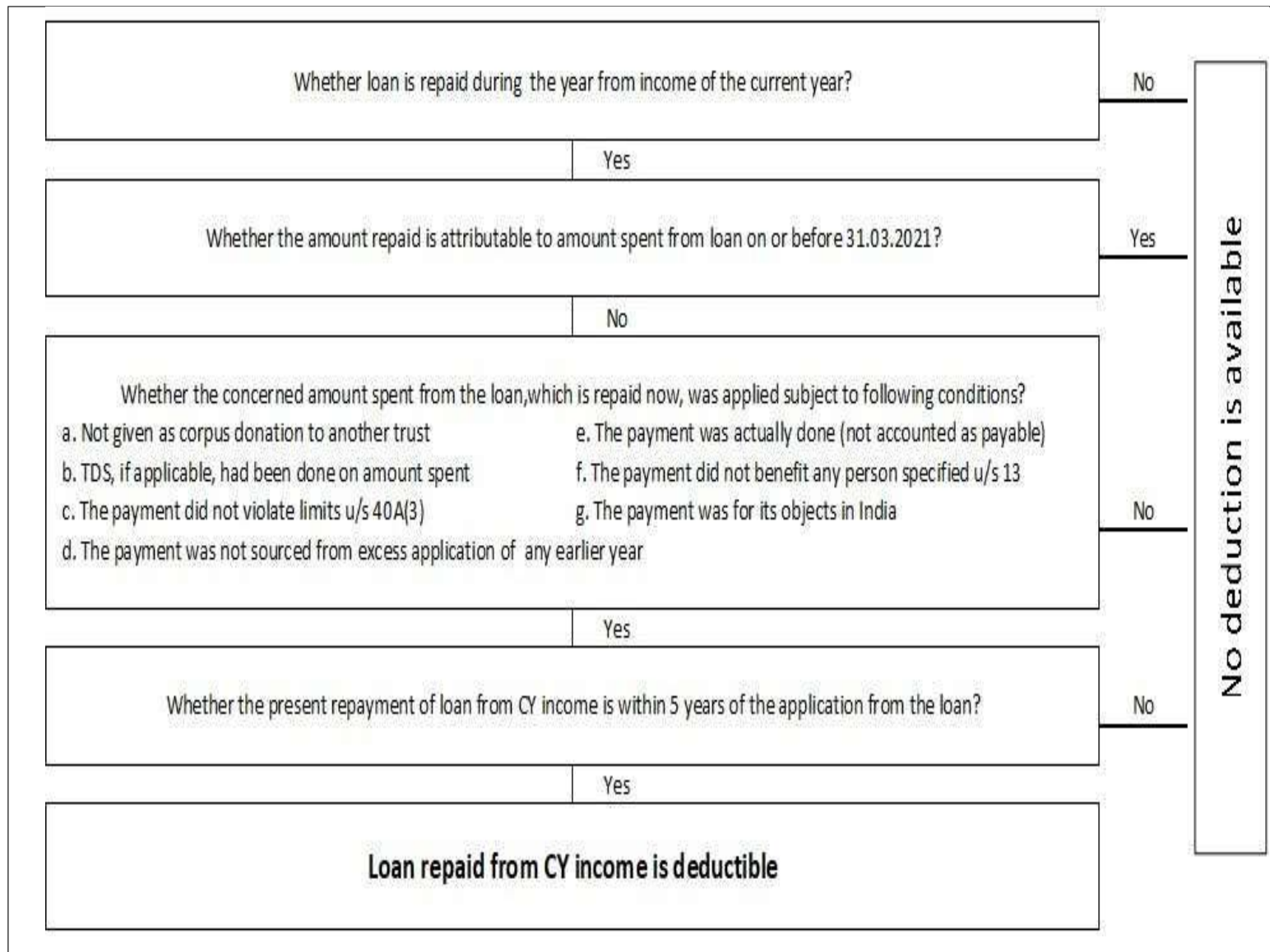
Clause of FB: 7

Effective date: AY 2023 – 24

Discussion

- **Amount spent from loan is not allowed as deduction.**
- **But if the loan is repaid from income it can be claimed as application subject to conditions**

Proposal



FA – 2023 Treatment of donation to other trusts

Section: Regimes 1 & 2

Clause of FB: 5 & 7

Effective date: AY 2024 – 25

Discussion

- Certain trusts falling within a group roll funds from one trust to another by way of donation so that each trust in the loop gets the benefit of accumulating 15% of the respective donation
- E.g. Trusts A to E are under same group. Trust A's income of Rs. 1,00,000 is donated to Trust B. Trust B donates Rs. 85,000 (85% of Rs. 1,00,000) to Trust C. Trust C donates Rs. 72,250 (85% of Rs. 85,000) to Trust D. Trust D donates Rs. 61,413 (i.e. 85% of Rs. 72,250) to Trust E. Now Trust E has to apply Rs. 52,201 (i.e. 85% of Rs. 61,413). However, this effectively is only 52% of A's income of Rs. 1,00,000.

Proposal

- It is proposed that only 85% of eligible donations made by a trust or institution in the first regime or second regime to another trust or institution in the first regime or second regime shall be treated as application in the hands of the donor.

FA 2023 - Omission of certain provisions relating to dating back of exemption

Section: Regimes 1 & 2

Clause of FB: 8

Effective date: 01.04.2023

Discussion

- **Section 12A(2): Once registered under section 12AA or 12AB, exemption shall be available to the trust from the assessment year relevant to the financial year in which application for registration was made.**
- **Section 12A(2) 2nd proviso – Once registration is granted u/s 12AA or 12AB, that status quo should be applied in all pending assessments of earlier years.**
- **Section 12A(2) 3rd proviso - Once registration is granted u/s 12AA or 12AB, earlier year's assessments should not be reopened just because the trust was not registered in those years**
- **Section 12A(2) 4th proviso – Trust will not get any immunity if registration is cancelled or application for registration is rejected**

Proposal

- **Second and third provisos are taken away – i.e. henceforth there is no immunity vis-à-vis earlier years for an already existing trust that applies for registration for the first time.**
- **Fourth proviso is also omitted.**

FA 2023 - Regarding provisional / regular registration / approval

Section: Regimes 1 & 2 & 80G

Clause of FB: 5,8,9,40

Effective date: 01.10.2023

Discussion

Situation 1 :

- Trusts or institutions formed or incorporated during the previous year are not able to get exemption in the year of formation because they are required to apply for registration or approval at least one month before the previous year for which exemption is sought and registration would be granted from next AY.

Situation 2

- Trusts / Institutions, where activities have already commenced, are required to apply for two registrations / approvals (i.e. provisional and regular) simultaneously.

Proposal

In Situation 1

- Henceforth, the trusts / institutions shall be allowed to make application for provisional registration / approval before the commencement of activities and they get exemption from that AY.

In Situation 2

- The trusts / institutions that have already commenced their activities, shall make application for regular approval / registration (i.e. provisional can be skipped). IT authorities' powers are also spelt out.

Please see notification amending Rules 2C, 11AA and Forms 10A & 10AB to give effect to the above amendment. There are minute changes in Forms 10B and 10BB also vide this notification (i.e. reporting 269SS cases) – Notification GSR 457E dated 23.06.2023 - <https://incometaxindia.gov.in/communications/notification/notification-45-2023.pdf>

FA 2023 - Violations vis-à-vis the new registration / approval regime

Section: Regimes 1 & 2 & 80G

Clause of FB: 5 & 9

Effective date: 01.04.2023

Discussion

- The process of granting provisional approval / registration for new trust and the re-registration / re-approval of already registered / approved trusts / institutions are automated.
- Application is filed in the portal and **provisional approval / registration or re-approval / re-registration in such cases is granted in an automated manner without verification.**

Proposal

- In many cases it is found that applications are defective, not complete and contain incorrect particulars
- Therefore, proposal is made to empower CIT / PCIT to cancel the registration / approval when application referred to above is incomplete or it contains false or incorrect information.

FA 2023 - Trusts / Institutions not filing application in certain cases

Section: Regimes 1 & 2

Clause of FB: 57

Effective date: AY 2023-24

Discussion

- **Certain existing registered / approved trusts have not made application for re-registration or re approval**
- **Certain provisionally registered / approved trusts have not made application for regular registration**
- **Likely scenario in future – A trust registered / approved for 5 years may not apply for re registration or re approval**
- **Section 115TD provides for levy of exit tax on accreted income when a charitable trust gets converted to a non charitable trust in the manner laid down in the Act.**
- **By not applying for regular registration / approval or re registration or re approval the trust gets an easy route to exit without payment of exit tax.**

Proposal

- **Amendment is proposed in Section 115TD**
- **If the trust fails to make application for re registration or re approval or regular registration or regular approval within the stipulated time, it shall be deemed to have been converted into any form that is not eligible for registration or approval. It will attract exit tax.**
- **Time limits for re-registration etc. are extended upto 30.09.2023 (refer Circular 6 /2023)**
- **Procedural part and definition part are also amended.**

FA 2023 - Alignment of ITR, Accumulation and Audit report due dates

Section: Regimes 1 & 2	Clause of FB: 5 and 7	Effective date: AY 2023-24
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Discussion (Also see Circular dated 24.05.2023)

- Presently

Due date for	Due date	Remarks
ITR	31 st July	where there is no audit
	31 st October	where there is audit
Accumulation	same as ITR due date	Form 10 (section 11(2)) / Form 9 A (expln. to s.11 (1))
Audit report	1 month prior to ITR due date i.e. 30 th September	Form 10 B / Form 10 BB

Proposal

- Due date for filing Form No 10 / 9 A is made 2 month prior to ITR due date (31st August in audit cases and 31st May in non-audit cases) – Circular 6 / 2023 – aligned with S.139(1) due date for Form 10 / 9A
- Reason as per Memorandum explaining the provisions – “The auditors are required to report the details of form 10/9A in the audit report. Since the due date for furnishing form 9A/10 *(It should have been Form 10 B / 10 BB)* is one month before the due date of furnishing the ITR, auditors find it difficult to report”

FA 2023 No exemption if return is not filed

**Section: Regimes 1
& 2**

**Clause of FB: 5
& 8**

**Effective date: AY 2023-
24**

Discussion

- **With the introduction of the scheme of filing updated return under section 139 (8A), there arose an unintended situation wherein trusts filing updated returns became eligible for exemption.**

Proposal

- **It is clarified that exemption will be available only if the return of income is filed under section 139 (1) or 139 (4)**

FA 2023 - Section 80 G

Section: 80 G

Clause of FB: 40

Effective date: AY 2024-25

Discussion

- **Section 80G gives a list of certain specified donees.**

Proposal

- **Following 3 institutions are removed from the list of eligible donees**
 - **80 G (2) (a) (ii) – Jawaharlal Nehru Memorial Fund**
 - **80 G (2) (a) (iii c) – Indira Gandhi Memorial Trust**
 - **80 G (2) (a) (iii d) – Rajiv Gandhi Foundation**

Circular No. 6 / 2023 dated 24.05.2023

- Re-registration of trusts registered (12A / 10(23C) and 80G) under the old regime – i.e. Form 10 A cases –
 - Original due date 30.06.2021
 - Extended to 31.08.2021 (C.12/2021 – 25.06.21)
 - Extended to 31.03.2022 (C.16/2021 – 29.08.21)
 - Extended to 25.11.2022 (C.22/2022 – 01.11.22)
 - **Now extended to 30.09.2023**
- Conversion of provisional registration to regular registration (12A and 10(23C)) – Form 10AB cases –
 - Original due date 31.03.2022
 - Extended to 30.09.2022 (C.8/2022 – 31.03.22)
 - **Now extended to 30.09.2023**
- Consequent relief also provided to those who missed the deadline

Circular No. 6 / 2023 dated 24.05.2023 (contd...)

- Accumulation – filing of Form 10 (s. 11 (2)) or Form 9A (Expln to S. 11(1)) – FA 2023 – due date is 2 months prior to ITR due date u.s. 139(1)

•It is now clarified that accumulation / deemed application shall not be denied so long as Form 10 or Form 9A, as the case may be, is furnished on or before the ITR due date u.s. 139(1) – The clarification is not year specific

Circular No. 6 / 2023 dated 24.05.2023 (contd...)

- Form 10 B / Form 10 BB require application of income / payments to be reported as 'by electronic modes' and 'other modes'. It is clarified that electronic modes referred to in the form are in addition to account payee cheque / draft / ECS
- Form 10 BD – statement of donations u.s. 80 G – Form 10 BE certificate of said donation – cut off date is 31st May of subsequent year – **For FY 2022-23, the due date is extended to 30.06.2023**

Other matters

- ITR 7 and 10/9A due date in audit cases extended to 30.11.2023 – 10B/10BB due date extended to 31.10.2023 (Circular 16/2023 – 18.09.2023)
- Remuneration to trustees – Act permits reasonable remuneration – If trust deed prohibits payment of remuneration, then trust cant pay remuneration
- Compulsory acquisition of trust property (Instruction 883 – 24.09.1975) or (Right of Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement Act, 2013)
- ITR 7
 - BS - How to show funds and Investments
 - 3D method- Select correct dash, dot and dropdown

Other matters

- **Preparation of financial statements** - Guidance note on Financial statements of non corporate entities – There is also a technical guide on accounting for not for profit organizations. – How far the formats are compatible for NPOs?
- Trust – regd u/s 12A – claims exemption u/s 10(23C)(iiiad) – audit report not filed – Any issue at the time of renewal
- Capital asset out of loan not allowable – Repayment of loan allowable subject to conditions (taken on or after 01.04.2021, repayable in 5 years etc.) – what about depreciation on asset?
- For amendment of objects – CIT's permission – Form 10AB – code 4
- Please read carefully the conditions specified in the new registration order u.s. 12 AB / 80 G by CIT

Other Matters

- Social auditor course – Need of the hour?
- Section 10(23C) – govt funded (iiiab & iiiac), less than Rs. 5 crs (iiiad & iiiae) and approved instns (vi & via) – use the word ‘solely’ for charitable purpose – SC held that ‘solely’ should be strictly construed – Involvement in activities unrelated to the main object make them ineligible for exemption – Concept of incidental and non-incidental activities discussed in the judgement – Applies prospectively – ***New Noble Educational Society Vs. CIT (2022) 143 taxmann.com 276 (SC) 19.10.2022.*** No direct impact on section 12A/12AA/12AB r/w/s 11 (personal view)
- Form 10B / 10BB have offline tool now
- ICAI Technical Guide is issued – Almost 300 pages
- Circular 16 / 2023 – related parties to substantial donors (Rs. 50K) – disclose details if available

Changes in Form 10 B and 10BB

See separate PPT

For your valuable views

Thank You

NEW FORM NO 10 B ANALYSED

***(Applies to entities that are required to get accounts audited
u/s 12A or 10 (23C))***

Effective from 01.04.2023 (AY 2023 – 24 onwards)

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Amended Rules 16CC and 17B

Notification 7 of 2023 dated 21.02.2023 (from 01.04.2023, i.e. AY 2023 – 24 onwards)

- Sections are 10(23C) – clauses iv, v, vi, via and Sections 11 and 12
- Audit is attracted when income before exemption exceeds the maximum amount not chargeable to tax. So is Rule 17AA (a/c books)
- Form No 10B shall be used where **(49 clauses)**:
 - Total income of the PY (before exemption) exceeds Rs 5 crores OR
 - The assessee had received foreign contribution during the PY OR
 - The assessee had applied any income outside India during the PY
- Form 10BB **(32 clauses)** shall be used in any other case where audit is attracted.
- *In effect, auditor is required to certify the computation of income (Refer **10 B Annexure paragraphs 21 to 35** & **10BB Annexure paragraphs 13 to 26**)*
- Forms comprise of **Audit report**, **Annexure** (i.e. statement of particulars), **Schedules** corresponding to Annexures and explanations by way of **notes**

Audit report under clause (b) of the tenth proviso to clause (23C) of section 10 and sub-clause (ii) of clause (b) of sub-section (1) of section 12A of the Income-tax Act, 1961, in the case of a fund or trust or institution or any university or other educational institution or any hospital or other medical institution.

* I/We have examined the balance sheet of [name of the fund or trust or institution or any university or other educational institution or any hospital or other medical institution] as at and the Income and Expenditure account or Profit and Loss account for the year ended on that date are in agreement with the books of account maintained by the said fund or trust or institution or university or other educational institution or hospital or other medical institution.

* I/We have obtained all the information and explanations to the best of *my/our knowledge and belief which are necessary for the purposes of the audit.

In * my/our opinion, proper books of account have been maintained at the registered office of the above named fund or trust or institution or university or other educational institution or hospital or other medical institution at the address mentioned at serial number 14 of the Annexure :

In *my/our opinion and to the best of *my/our information and according to explanations given to *me/us, the particulars given in the Annexure are true and correct subject to following observations or qualifications—

- (a)
- (b)
- (c)

Comments about Annexures

In * my/our opinion and to the best of * my/our information, and according to information given to * me/us, the said accounts give a true and fair view—

- (i) in the case of the balance sheet, of the state of affairs of the above named * fund or trust or institution or university or other educational institution or hospital or other medical institution as on _____;and
- (ii) in the case of the Income and Expenditure account or Profit and Loss account, of the income and application or profit or loss of its accounting year ending on

subject to the following observations/qualifications—

- (a)
- (b)
- (c)

Comments about Accounts

The prescribed particulars are annexed hereto.

Place .

Date .

Signed Accountant †

Name

Membership Number

Address

Audit report Proforma

- Balance Sheet and Income and Expenditure account are covered in the audit report – ‘Certified as True and fair’
- Proper books of accounts maintained – See Rule 17 AA Income tax Rules – separately dealt with
- Annexure (detailed questionnaire) is ‘Certified as true and correct’ (similar to Form 3 CD) – get it signed by assessee
- Annexure also has schedules
- Instructions are given by way of ‘Notes’
- UDIN also needs to be generated and updated

ANNEXURE
Statement of particulars

Basic Details	1.	PAN of the auditee		A B C D E 1 2 3 4 F							
	2.	Name of the auditee									
	3.	Assessment Year									
	4.	Previous Year		d d m m y y y y				To			
				d d m m y y y y							
	5.	Registered Address of the auditee									
6.	Other addresses, if applicable		< refer note*>								
Legal	7.	Type of the auditee		Trust <input type="checkbox"/> Society <input type="checkbox"/> Company <input type="checkbox"/> Others <input type="checkbox"/>							
	8.	Whether the auditee is established under an instrument?		Yes/No							
Registration Details	9.	Details of registration/provisional registration or approval/ provisional approval or notification of the auditee under the Income-tax Act (details of all the registration/provisional registration/approval/provisional approval/notification which are valid during the previous year should be provided, however where the auditee has got the registration/approval after provisional registration/approval the details of provisional registration/approval need not be provided)									
		Section under which registered/provisionally registered or approved/ provisionally approved /notified (refer note **)	Date registration/provisional registration or approval/ provisionally approval/ notification (dd/mm/yyyy)	Registration/Approval/ Notification/ Unique Registration No. (URN), if available	Authority granting registration/provisional registration or approval/provisional approval or notification	Date from which registration/provisional registration/approval/provisional approval/notification is effective (dd/mm/yyyy)					
		(1)	(2)	(3)	(4)	(5)					
Management	10.	(a) Details of all the Author (s)/ Founder (s)/ Settlor (s)/Trustee (s)/ Members of society/Members of the Governing Council/ Director (s)/ shareholders holding 5% or more of shareholding / Office Bearer (s) of the auditee at any time during the previous year									
		Name of person	Relation < refer note#>	Percentage of shareholding in case of shareholder	Unique Identification Number	Id Code < refer note##>	Address	Whether there is any change in relation during previous year of audit Yes/No	If yes, specify the change		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
		(b) In case if any of the persons [as mentioned in row 10(a)] is not an individual, then provide the following details of the natural persons who are beneficial owners (5% or more) of such person at any time during the previous year									
	Sl. No.	Name	Unique Identification Number	ID code < refer note##>	Address	Non-individual person [as mentioned in row no 10(a)] in which beneficial ownership held	Percentage of beneficial ownership	Whether there is any change during previous year of audit Yes/No	If yes, specify the change		

Annexure

Paragraphs 1 to 10

- Basic details are called for
- Refer notes (instruction) wherever required

Objects	11.	Objects of the auditee			Refer Note\$	
	12.	(i)	Whether the auditee, being a trust or institution referred to in section 11 or 12, has adopted or undertaken modification of the objects which do not conform to the conditions of registration?			Yes/No
		(ii)	If yes, please furnish following information:-			
		(A)	date of such modification/ adoption (DD/MM/YYYY)			<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
		(B)	Whether an application for registration has been made in the prescribed form and manner within the stipulated period of thirty days from the date of said adoption or modification, as per sub-clause (v) of clause (ac) of sub-section (1) of section 12A.			Yes/No
		(C)	If yes provide the following details regarding application for registration under sub-clause (v) of clause (ac) of sub-section (1) of section 12A			

Annexure - Paragraphs 11 to 12

- Objects – refer notes
- Modification of objects which do not conform to conditions of registration - If so, file Form 10AB to obtain Commissioner's approval – failure attracts exit tax

Commencement of activities	13.	(i)	Where the auditee has been granted provisional registration or provisional approval, whether activities have commenced during the previous year	Yes/No							
		(ii)	If yes in 13 (i) , date of commencement of activities	d d m m y y y y							
		(iii)	If the answer to 13(i) is yes, whether application for registration under section sub-clause (iii) of clause (ac) of sub-section (1) of section 12A or application for approval under clause (iii) of the first proviso to clause (23C) of section 10 has been filed?	Yes/No							
		(iv)	If yes in 13(iii) above, provide the following details regarding application for registration under section sub-clause (iii) of clause (ac) of sub-section (1) of section 12A or application for approval under clause (iii) of the first proviso to clause (23C) of section								
			S.No	Date of Application	Status of registration in pursuance to application	Date of Registration /Cancellation based on such application		URN of such registration			
					(Pending/ Registration granted/Registration cancelled)	(dd/mm/yyyy)					
Details of Place where books of accounts and other documents have been maintained	14.	(i)	Whether the books of account and other documents have been kept and maintained in the form and manner and at such place as prescribed under rule 17AA by the auditee						Yes/No		
		(ii)	Provide the following details of the books of account and other documents								
			S. No	Nature of Books of Account	Whether maintained by the auditee (Yes/No)	Whether maintained in a computer system, (Yes/No)	Whether maintained at registered office (Yes/No)	If maintained at any place other than the registered place		Whether the books of account have been audited (Yes/No)	
				<Refer Note\$\$>				Address of such Place	Date of decision by management to keep account at such place	Date of intimation to Assessing Officer that books of accounts are kept at such place under proviso to sub-rule (3) of rule 17AA	
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Annexure

Paragraphs 13 to 14

- Provisional registration – commencement of activity details - regularisation
- Maintenance of books of accounts – Rule 17 AA compliance

Advancement of General Public Utility	15.	Where, in any of the projects/institutions run by auditee, one of the charitable purposes is advancement of any other object of general public utility then,-			
	(A)	Whether any activity is being carried on by the auditee which is in the nature of trade, commerce or business referred to in proviso to clause (15) of section 2?	Yes/No		
	(B)	If yes, then percentage of receipt from such activity vis-à-vis total receipts	%		
	(C)	Whether such activity in the nature of trade, commerce or business is undertaken in the course of actual carrying out of such advancement of any other object of general public utility	Yes/No		
	(D)	Whether there is any activity of rendering any service in relation to any trade, commerce or business for any consideration as referred to in proviso to clause (15) of section 2?	Yes/No		
	(E)	If yes, then percentage of receipt from such activity vis-à-vis total receipts	%		
	(F)	Whether such activity of rendering service is undertaken in the course of actual carrying out of such advancement of any other object of general public utility	Yes/No		
Advancement of General Public Utility	16.	If 'A' or 'D' in 15 is Yes, the aggregate annual receipts from such activities in respect of that project/institution			
		S.No	Name of Project/ Institution		
		Amount of aggregate annual receipts from activities referred in 15A and 15D (In Rs.)			
		Total			
Business Undertaking	17.	(i)	Whether the auditee has any business undertaking as referred to in sub-section (4) of section 11	Yes/No	
		(ii)	If yes, then provide the following details of the business undertaking:		
			(a)	Nature of Business Undertaking	
			(b)	Business Code	
			(c)	Whether separate books of account have been maintained for the business undertaking <refer note^>	Yes/No
			(d)	Income from the business undertaking for the previous year which is not to be included in the total income of the auditee as per sub-section (4) of section 11	Amount in Rs.
(e)	Income from the business undertaking for the previous year which is to be included in the total income of the auditee as per sub-section (4) of section 11	Amount in Rs.			
Business Incidental to Objects	18.	(i)	Whether the auditee has any income being profits and gains from any business as referred in seventh proviso to Clause (23C) of section 10 or sub-section (4A) of section 11, as the case may be	Yes/No	
		(ii)	If yes, then provide the following details of such business:		Yes/No
			(a)	Nature of Business	
			(b)	Business Code	
			(c)	Whether separate books of account have been maintained for the business <refer note^>	Yes/No
			(d)	Whether the business is incidental to the attainment of the objects of the auditee	Yes/No
(e)	Profits and gains from the business during the previous year	Amount in Rs.			

Annexure

Paragraphs 15 to 18

- Object of general public utility – any commercial activity involved
- Business – Section 11 (4), 11 (4A), 10 (23C) compliance – incidental to objects and maintenance of books

TDS on receipts	19.	Details of the receipts of the auditee on which tax has been deducted at source referred to in sections 194C or 194J or 194H or 194Q :									
	S. No.	Name of the deductor	TAN of deductor	Amount on which tax has been deducted at source (In Rs.)	Amount of tax deducted at source	Section under which tax has been deducted at source	Category of income/receipt			Income/receipt in column 7 or 8 which is from business incidental to the attainment of the objects of the auditee. (In Rs.)	Whether separate books of account have been maintained for activities income/receipt which is mentioned in column 10 (Yes/No)
	(1)	(2)	(3)	(4)	(5)	(6)	Trade, commerce or business (Rs.)	Activity of rendering any service in relation to any trade, commerce or business (Rs.)	Others (specify the nature) (Rs.)	(10)	(11)
	20.	Whether the provisions of twenty second proviso to clause (23C) of section 10 or sub-section (10) of section 13 are applicable.									Yes/No

Annexure - Paragraphs 19 to 20

- Details of receipts of institution on which tax has been deducted at source
- Section 13 (10) / 10 (23C) 22nd proviso is attracted in cases of non-maintenance of accounts, non-filing of audit report, non-filing of ITR – in those cases, specific computation mode is prescribed

Voluntary contributions	21.	Whether auditee has filed Form No. 10BD for the previous year < If No then skip to row 23 >		Yes/No		
	22.	Total Sum of donations reported in Form No. 10BD furnished by the auditee for the previous year		(Amount in Rs.)		
	23.	Donations not reported in Form No 10BD /Not required to fill Form No. 10BD				
		(i)	Donations received by fund or trust or institution of the auditee which is approved under clause (b) of sub-section (2) of section 80G		Amount in Rs.	
		(ii)	Donations received by fund or trust or institution of the auditee which qualifies for deduction under section 80G (other than those donations qualifying under clause (b) of sub-section (2) of section 80G or sub-clause (iv) of clause (a) of sub-section (2) of section 80G)		Amount in Rs.	
		(iii)	Donations received by fund or trust or institution of the auditee approved under sub-clause (iv) of clause (a) of sub-section (2) of section 80G and which are not eligible under sub-section (5) of section 80G	(a)	Cash donations exceeding Rs. 2000	Amount in Rs.
				(b)	Donations received from other charitable trusts and institution or from any fund or institution or trust or any university or other educational institutions or any hospital or other medical institution not eligible for deduction	Amount in Rs.
				(c)	Others < Specify the nature>	Amount in Rs.
				(d)	Total (a)+(b)+(c)	Amount in Rs.
		(iv)	Donations which could not be reported in Form No 10BD due to non-availability of identification of donor as required under Form No 10BD		Amount in Rs.	
		(v)	Donations received in kind		Amount in Rs.	
		(vi)	Anonymous Donations referred to in section 115BBC			
			(a)	Amount of anonymous donation not taxable under section 115BBC on account of applicability of clause (i) of sub-section (1) of section 115BBC		Amount in Rs.
			(b)	Amount of anonymous donation not taxable under section 115BBC on account of applicability of clause (a) of sub-section (2) of section 115BBC		Amount in Rs.
			(c)	Amount of anonymous donation not taxable under section 115BBC on account of applicability of clause (b) of sub-section (2) of section 115BBC		Amount in Rs.
	(d)		Other anonymous donations taxable @ 30 % under section 115BBC		Amount in Rs.	
	(e)	Total (a+b+c+d)		Amount in Rs.		
	(vii)	Any other voluntary contribution not part of Form No. 10BD	<Please specify the nature>	Amount in Rs.		
	(viii)	Total donation not reported in Form No 10BD [23(i)+23(ii)+23(iii)(d) +23(iv)+23(v)+23(vi)(e)+23(vii)]		Amount in Rs.		
	24.	Total voluntary contributions received by the auditee during the previous year [22+23(viii)]		Amount in Rs.		
	25.	Total foreign contribution out of the total voluntary contributions stated in 24		Amount in Rs. < Fill Schedule FC>		
26.	Voluntary Contribution forming part of corpus (which are included in 24)			Amount in Rs.		
	(A)	Corpus representing donations received for the renovation or repair of places notified under clause (b) of sub-section (2) of section 80G eligible for exemption under Explanation 1A to the third proviso to clause (23C) of section 10 or Explanation 3A to sub-section (1) of section 11		Amount in Rs. < Fill Schedule Corpus>		
	(B)	Corpus donations as referred to in clause (d) of sub-section (1) of section 11 or Explanation 1 to the third proviso to section 10 (23C) eligible for exemption and invested in modes specified under sub-section (5) of section 11		Amount in Rs. < Fill Schedule Corpus>		
27.	Voluntary Contributions required to be applied by the auditee during the previous year [24-[23(vi)(d)+26A+ 26B]]		Amount in Rs.			

Annexure Paragraphs 21 to 27

- Paras 21 to 30 deal with income and 31 deals with application
- Filing of Form 10BD
- Division / Reconciliation of total donations into 80 G donations, foreign contributions, other donations, donations in kind and anonymous donation – Donation and other voluntary contributions ledger to be thoroughly analysed

Income to be applied	28.	Income other than voluntary contributions derived from property held under trust referred to in section 11 or income of fund or institution or trust or any university or other educational institution or any hospital or other medical institution (other than the contribution reported in serial number 24)			Amount in Rs.				
	29.	Income applied outside India which is eligible under clause (c) of sub-section (1) of section 11			Amount in Rs. < Fill Schedule Int App>				
	30.	Income required to be applied in India by the auditee during the previous year [27+28-29]			Amount in Rs.				
Application of Income	31.	Application of Income (excluding application not eligible and reported under serial number 37)							
	(i)	Total amount applied for charitable or religious purposes in India during the previous year			+Electronic (In Rs)	Other than Electronic (In Rs.)	Amount in Rs.		
	(a)	Contribution or donation to any other person during the previous year					Amount in Rs.		
		Object wise application other than the application provided in (a)							
	(I)	Religious					Amount in Rs.		
	(II)	Relief of poor					Amount in Rs.		
	(III)	Education					Amount in Rs.		
	(IV)	Medical relief					Amount in Rs.		
	(V)	Yoga					Amount in Rs.		
	(b)	(VI) Preservation of environment (including watersheds, forests and wildlife)					Amount in Rs.		
		(VII) Preservation of monuments or places or objects of artistic or historic interest					Amount in Rs.		
		(VIII) Advancement of any other objects of general public utility					Amount in Rs.		
		(IX) Application which cannot be specifically categorised under (I) to (VIII)					Amount in Rs.		
		(X) Total					Amount in Rs.		
	(c)	Total application [(a) + (b)(X)]					Amount in Rs.		
(ii)	Details of application out of (i) (a) and (i) (b) resulting in payment in excess of Rs. 50 lakh during the previous year to any person								
	S.No.	Name of person to whom amount paid or credited	PAN of such person	Amount of application (Rs)	Mode of application		TDS		
					+Electronic modes (Rs.)	Other than Electronic modes (Rs.)	Total	Whether any TDS has been deducted Yes/No	Section under which TDS has been deducted
(iii)	Amount which was not actually paid during the previous year [if included in (i)(c)]						Amount in Rs.		
(iv)	Amount actually paid during the previous year which accrued during any earlier previous year but not claimed as application of income in earlier previous year						Amount in Rs.		
(v)	Total amount to be allowed as application [31(i)(c)- 31(iii) +31(iv)]						Amount in Rs.		

Annexure

Paragraphs 28 to 31 (part)

- Reporting of income from property held under trust
- Application of income – earlier single line item – now object-wise – payment by **electronic mode and otherwise** to be bifurcated
- Application – **exceeding Rs. 50 lakhs to any person** – scrutiny angle
- Adjustment for accrual accounting

(vi)	Bifurcation of application in 31(v) into Revenue or Capital		Amount in Rs.
	(a)	Revenue	Amount in Rs.
	(b)	Capital	Amount in Rs.
(vii)	Amount invested or deposited back in corpus which was applied during any preceding previous year and not claimed as application during that previous year.		Amount in Rs. < fill Schedule Corpus>
(viii)	Repayment of loan or borrowing during the previous year which was earlier applied and not claimed as application during that previous year during that previous year.		Amount in Rs. < fill Schedule LB>
Amount to be disallowed from application			
(ix)	Amount disallowable under thirteenth proviso to clause (23C) of section 10 or Explanation 3 to sub-section (1) of section 11 read with sub-clause (ia) of clause (a) of section 40		Amount in Rs. < fill schedule TDS>
(x)	Amount disallowable under thirteenth proviso to section 10(23C) or Explanation 3 to sub-section (1) of section 11 read with sub-section (3) or (3A) of section 40A		Amount in Rs. < fill schedule 40A(3)/schedule 40A(3A)>
(xi)	Donation 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 - clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 of the Act or any trust or institution referred to in sections 11 or 12 of the Act towards Corpus		Amount in Rs.
(xii)	Donation 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 - clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 of the Act or any trust or institution referred to in sections 11 or 12 of the Act not having Same objects		Amount in Rs.

Annexure - Paragraphs 31 (part)

- Revenue vs Capital
- Corpus fund replenished – utilisation from corpus not claimed in earlier year
- Repayment of loan – spending from loan not claimed in earlier year
- Disallowance from application – 40 (a) (ia), 40 A (3), corpus donations given, **donation to other trust NOT having same objects (item xii)**

(xiii)	Donation to any person other than any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub - clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 of the Act or any trust or institution referred to in sections 11 or 12 of the Act	Amount in Rs.
(xiv)	Application outside India for which approval under proviso to clause (c) of sub-section (1) of section 11 has not been obtained	Amount in Rs.
(xv)	Application outside India for which approval under proviso to clause (c) of sub-section (1) of section 11 has been obtained	
(xvi)	Applied for any purpose beyond the objects of the auditee	Amount in Rs.
(xvii)	Any other disallowance (Please specify)	Amount in Rs.
(xviii)	Total allowable application [{31(v)+31(vii)+31(viii) – {31(ix) to 31(xvii) }]	Amount in Rs.
(xix)	Amount deemed to have been applied during the previous year under clause (2) of Explanation 1 to sub-section (1) of section 11	Amount in Rs. < fill Schedule DI>
(xx)	Income accumulated as per the provisions of Explanation 3 to the third proviso to clause (23C) of section 10 or sub-section (2) of section 11	Amount in Rs. < fill Schedule AC>
(xxi)	Income accumulated or set apart for application to charitable or religious purposes or stated objects of trust or institution to the extent it does not exceed 15 % of the income	Amount in Rs.
32.	Taxable Income [30 – {31(xviii) to 31(xxi)}]	Amount in Rs.

Annexure - Paragraphs 31 (part) to 32

- **Donation to trusts not registered u.s. 12AB / 10 (23C) – item xiii**
- Application outside India
- Application beyond objects of trust
- Any other disallowance

		Income taxable under section 115BBI			
Section 115BBI	33.	(a)	Whether the auditee has any deemed income referred to in sub-section (1B) of section 11 which is chargeable to tax @ 30 % under section 115BBI and the amount of such deemed income?	Yes/No If yes fill Schedule DI	Amount in Rs.
		(b)	Whether the auditee has any deemed income referred to in Explanation 4 to third proviso to clause (23C) of section 10 or sub-section (3) of section 11 which is chargeable to tax @ 30 % under section 115BBI and the amount of such deemed income?	Yes/No If yes fill Schedule AC	Amount in Rs.
		(i)	Whether income accumulated is applied for the purposes other than charitable or religious purposes or ceases to be accumulated or set apart for application thereto	Yes/No	Amount in Rs.
		(ii)	Whether such income accumulated ceases to remain invested or deposited in any of the forms or modes specified in sub-section (5) of section 11	Yes/No	Amount in Rs.
		(iii)	Whether such income accumulated is not utilised for the purpose for which it is so accumulated or set apart during the period referred to in clause (a) of Explanation 3 to third proviso to clause (23C) of section 10 or clause (a) of sub-section (2) of section 11	Yes/No	Amount in Rs.
		(iv)	Whether such income accumulated is credited or paid 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	Yes/No	Amount in Rs.
	(c)	(i)	Whether the auditee has any income which is income not to be excluded from the total income under twenty first proviso to clause (23C) of section 10 or clause (c) of sub-section (1) of section 13 which is chargeable to tax @ 30 % under section 115BBI and the amount of such income	Yes/No	Amount in Rs.
		(ii)	Whether the auditee has any income which is not to be excluded from the total income under clause (b) of third proviso to clause (23C) of section 10 or clause (d) of sub-section (1) of section 13 which is chargeable to tax @ 30 % under section 115BBI and the amount of such income	Yes/No	Amount in Rs.
	(d)	Whether the auditee has any income accumulated or set apart in excess of fifteen per cent. of the income where such accumulation is not allowed under any specific provision of the Act and which is chargeable to tax @ 30 % under section 115BBI and the amount of such income ?	Yes/No	Amount in Rs.	
	(e)	Whether the auditee has made any application out of India which is not excluded from total income under clause (c) of sub-section (1) of section 11	Yes/No < If yes fill schedule Int App>	Amount in Rs.	
34.	Anonymous donation which is chargeable to tax @ 30 % under section 115BBC			Amount in Rs.	

Annexure

Paragraphs 33 to 34

- Any deemed income taxable @ 30% as shown in form (refer FA 2022)
- Anonymous donation to be taxed @ 30%

Annexure Paragraphs 35 to 36

Other Income		Other Income		Amount in Rs.
	35.	(a)	Whether the auditee has any income chargeable under section 12(2) and the amount of such income.	Yes/No Amount in Rs.
		(b)	Income as per Explanation 3B to sub-section (1) of section 11 in case of violation of clause (a) or (b) or (c) or (d) of Explanation 3A to sub-section (1) of section 11 read with clause (b) of sub-section (2) of section	

- Benefits to specified persons
- Taxable receipts of eligible religious institutions referred to in Section 80G
- Income from non-incidentual business
- Capital assets transferred

Capital Asset			80G	
		(c)	Income as per <i>Explanation 1B</i> to the third proviso to clause (23C) of section 10 in case of violation of clauses (a) or (b) or (c) or (d) of <i>Explanation 1A</i> to the third proviso to clause (23C) of section 10 read with clause (b) of sub-section (2) of section 80G	Amount in Rs. < Fill Schedule Corpus>
		(d)	Income chargeable under sub-section (4) of section 11	Amount in Rs.
	36.	Details of capital asset transferred under sub-section (1A) of section 11		
	(1)	Whether a capital asset being property held under trust wholly for charitable or religious purpose is transferred and the net consideration for which it is transferred?	Yes/No	Amount in Rs.
	(2)	Whether deemed application is claimed as per clause (a) of sub-section (1A) of section 11 and the amount of such deemed application?	Yes/No	Amount in Rs.
	(3)	Whether a capital asset being property held under trust in part only for charitable or religious purpose is transferred and the net consideration for which it is transferred?	Yes/No	Amount in Rs.
	(4)	Whether deemed application is claimed as per clause (b) of sub-section (1A) of section 11 and the amount of such deemed application?	Yes/No	Amount in Rs.

Application of income out of the following sources during the previous year

(A)	Income accumulated under third proviso to clause (23C) of section 10 or under sub-section (2) of section 11 during any earlier previous year	+Electronic modes (Rs.)	Other than Electronic modes (Rs.)	Total Amount (Rs.) < Fill schedule AC>
(B)	Income deemed to be applied in any preceding year under clause (2) of Explanation 1 to sub-section (1) of section 11 during any earlier previous year	+Electronic modes (Rs.)	Other than Electronic modes (Rs.)	Total Amount (Rs.) < Fill schedule DI>
(C)	Income of earlier previous years up to 15% accumulated or set apart	+Electronic modes (Rs.)	Other than Electronic modes (Rs.)	Total Amount (Rs.)
(D)	Corpus	+Electronic modes (Rs.)	Other than Electronic modes (Rs.)	Total Amount (Rs.) < Fill Schedule Corpus>
(E)	Borrowed fund	+Electronic modes (Rs.)	Other than Electronic modes (Rs.)	Total Amount (Rs.) < Fill Schedule LB>
(F)	Any other (Please specify)	+Electronic modes (Rs.)	Other than Electronic modes (Rs.)	Total Amount (Rs.) < Fill Schedule LB>

37.

38. Details of application resulting in payment or credit in excess of Rs. 50 lakh during previous year to a single person out of 37

S.no	Name of person	PAN	Amount of application (Rs.)	Mode of Application			TDS		
				+Electroni c modes	Other than Electronic modes	Total	Whether any TDS has been deducted (Yes/No)	Section under which TDS has been deducted	Amou nt of TDS

Annexure Paragraphs 37 to 38

- Details of utilisation from 11 (2) funds, expl. to 11 (1) funds, old funds to the extent of 15%, corpus, loan – break-up as electronic / other modes

- 50 lakhs to a single person from above

13(10) and 22nd proviso to section 10(23C)	39.	(i)	Whether provisions of twenty second proviso to clause (23C) of section 10 or sub-section (10) of section 13 are applicable?	Yes/No		
		(ii)	If yes in (i) specify the reason why the provisions of twenty second proviso to clause (23C) of section 10 or sub-section (10) of section 13 are applicable?			
			(a)	Provision of proviso to clause (15) of section 2 is applicable	Yes/No	
			(b)	condition specified in clause (a) of tenth proviso to clause (23C) of section 10 or sub-clause (i) of clause (b) of sub-section (1) of section 12A have been violated	Yes/No	
			(c)	condition specified in clause (b) of tenth proviso to clause (23C) of section 10 or sub-clause (ii) of clause (b) of sub-section (1) of section 12A have been violated	Yes/No	
			(d)	condition specified in twentieth proviso to clause (23C) of section 10 or sub-clause (ii) of clause (ba) of sub-section (1) of section 12A have been violated	Yes/No	
		(iii)	If yes in (i), please provide computation of income chargeable under twenty second proviso to clause (23C) of section 10 or sub-section (10) of section 13			
			(a)	Income for the previous year	Amount in Rs.	
			(b)	Total Expenditure incurred in India, for the objects of the auditee,	Amount in Rs.	
			(c)	Expenditure to be disallowed		

Annexure - Paragraph 39 (part)

- Specific violations – computation of income – refer amendment in Finance Act 2022

			(i)	Expenditure 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	Amount in Rs.
			(ii)	Expenditure from any loan or borrowing	Amount in Rs.
			(iii)	Depreciation in respect of an asset, acquisition of which has been claimed as application of income, in the same or any other previous year; and	Amount in Rs.
			(iv)	Expenditure in the form of contribution or donation to any person.	Amount in Rs.
			(v)	Capital expenditure	Amount in Rs.
			(vi)	Amount disallowable under Explanation to sub-section (10) of section 13 or Explanation to twenty second proviso to clause (23C) of section 10 read with sub-clause (ia) of clause (a) of section 40	Amount in Rs. < fill schedule TDS disallowable >
			(vii)	Amount disallowable under Explanation to sub-section (10) of section 13 or Explanation to twenty second proviso to clause (23C) of section 10 read with sub-sections 3 or 3A of section 40A	Amount in Rs. < fill schedule 40A(3)/Schedule 40A(3A)>
			(viii)	Any other disallowance	Amount in Rs.
			(ix)	Total expenditure to be disallowed (i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii)+(viii)	Amount in Rs.
			(d)	Income chargeable to tax under twenty-second proviso to clause (23C) of section 10 or sub-section (10) of section 13 [a – b+c(ix)]	
Expenditure Incurred for Religious Purposes	40.	In case auditee is approved under second proviso to sub-section (5) of section 80G, please provide the following details			
		(a)	Whether any amount of expenditure incurred during the previous year which is of a religious nature and the amount of such expenditure	Yes/No	If yes specify amount in Rs.
		(b)	Total income of auditee during the previous year		Amount in Rs.
		(c)	Percentage of expenditure which is of religious nature to the total income [Amount in (a)/(b)]		%

Annexure

Paragraphs 39 (part) to 40

- Specific violations – computation of income – refer amendment in Finance Act 2022 continued
- Religious expense of 80G registered trusts

41.	Details of specified person* as referred to in sub-section (3) of section 13					
	Code of Person referred to in sub-section (3) of section 13 <Refer Note^^>	Name of such person	PAN of such person	Aadhar number of such person, if allotted	Address of such person	If code 2 selected in column (1) specify the amount of contribution made to the auditee
42.	Details of transactions referred to in section 13 (2)					
(a)	Whether any part of the income or property of the auditee is, or continues to be, lent to any specified person for any period during the previous year without either adequate security or adequate interest or both					Yes/No < If yes, fill Schedule SP-a >
(b)	Whether any land, building or other property of the auditee is, or continues to be, made available for the use of any specified person, for any period during the previous year without charging adequate rent or other compensation;					Yes/No < If yes, fill Schedule SP-b >
(c)	Whether any amount is paid by way of salary, allowance or otherwise during the previous year to any specified person out of the resources of the trust or institution for services rendered by that person to such auditee and the amount so paid is in excess of what may be reasonably paid for such services;					Yes/No < If yes, fill Schedule SP-c >
(d)	Whether the services of the auditee are made available to any specified person during the previous year without adequate remuneration or other compensation;					Yes/No < If yes, fill Schedule SP-d >
(e)	Whether any share, security or other property is purchased by or on behalf of the auditee from any specified person during the previous year for consideration which is more than adequate;					Yes/No < If yes, fill Schedule SP-e1/e2 >
(f)	Whether any share, security or other property is sold by or on behalf of the auditee to any specified person during the previous year for consideration which is less than adequate;					Yes/No < If yes, fill Schedule SP-f1/f2 >
(g)	Whether any income or property of the auditee is diverted during the previous year in favour of any specified person					Yes/No < If yes, fill Schedule SP-g >
(h)	Whether any funds of the auditee are, or continue to remain, invested for any period during the previous year, in any concern in which any specified person has a substantial interest.					Yes/No < If yes, fill Schedule SP-h >

Annexure Paragraphs 41 to 42

Related party reporting –
Section 13 –
Paragraphs akin to old Form 10 B

Annexure Paragraphs 43 to 49

Specified Violation	43.	Specified Violation		
		Whether the auditee has incurred any specified violation as referred to in Explanation 2 to the fifteenth proviso to clause (23C) of section 10 or Explanation to sub-section (4) of section 12AB and the amount of such violation	Yes/No	Amount in Rs.
	(a)	Income of the auditee has been applied, other than for the objects of the trust or institution.	Yes/No	Amount in Rs.
	(b)	Whether the auditee 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 auditee in respect of the business which is incidental to the attainment of its objectives.	Yes/No	Amount in Rs.
	(c)	Whether the auditee, referred to in clause (a) of sub-section (1) of section 13, has applied any part of its income from the property held under a trust for private religious purposes, which does not enure for the benefit of the public.	Yes/No	Amount in Rs.
	(d)	Whether the auditee, referred to in clause (b) of sub-section (1) of section 13, has applied any part of its income for the benefit of any particular religious community or caste.	Yes/No	Amount in Rs.
	(e)	Whether any activity being carried out by the auditee is not genuine or is not being carried out in accordance with all or any of the conditions subject to which it was registered.	Yes/No	Amount in Rs.
	(f)	Whether the auditee has not complied with the requirement of any other law, for the time being in force, 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.	Yes/No	< If yes, fill schedule other law violation >
	44.	Whether there is any claim of depreciation or otherwise has been made in terms of Explanation 1 to clause (23C) of section 10 or sub-section (6) of section 11 in respect of any asset, acquisition of which has been claimed as an application of income and the amount of such depreciation?	Yes/No	If yes specify the amount
	45.	In view of provisions of nineteenth proviso to clause (23C) of section 10 or sub-section (7) of section 11, please specify whether the trust or institution has claimed deduction under section 10 [other than clause (1), clause (23C) and clause (46) thereof] during the previous year and the amount of such claim?	Yes/No	Amount in Rs.
	46.	Whether the auditee has taken or accepted any loan or deposit or any specified sum, exceeding the limit specified in section 269SS during the previous year?	Yes/No	Amount in Rs. (If yes, fill Schedule 269SS)
	47.	Whether the auditee has received an amount exceeding the limit specified in section 269ST, from a person in a day; or in respect of a single transaction; or in respect of transactions relating to one event or occasion from a person during the previous year?	Yes/No	Amount in Rs. (If yes, fill Schedule 269ST)
	48.	Whether the auditee has repaid any amount being loan or deposit or any specified advance exceeding the limit specified in section 269T, during the previous year?	Yes/No	Amount in Rs. (If yes, fill Schedule 269T)
	49.	Whether the auditee is required to deduct or collect tax as per the provisions of Chapter XVII-B or Chapter XVII-BB?	Yes/No	(If yes, fill Schedule TDS/TCS/ Statement of TDS/TCS/ Interest on TDS/TCS as applicable)

- Specified violations and monetary impact
- Depreciation claimed
- Any deduction u.s. 10 claimed
- 269SS, 269 ST, 269 T
- TDS and TCS return details – similar to Form 3CD

Schedules to fill as may be applicable < refer to instructions> Form 10B												
Schedule Corpus: Details of Corpus												
Type of corpus donation	Opening balance at the beginning of the previous year (Corpus not applied till the beginning of the previous year) (1)	Received/Treated as corpus during the previous year (2)	Applied during the previous year (3)	Amount invested or deposited back in to corpus (which was earlier applied and not claimed as application fulfilled the conditions) (4)	Total amount invested or deposited back in to corpus (5)	Financial year in which (4) was applied earlier (6)	Closing balance: (7) [(1+2+5)-3]	Invested in modes specified in section 11(5) (8)	Amount taxed in previous assessment year (9)	Invested in modes other than specified in section 11(5) as on last day of the previous year (10)	If corpus donation is of type (i) then whether it fulfills the following conditions: Amount applied out of corpus for the purpose other than for which the voluntary contribution was made Contribution or donation to any person; Maintained as not separately identifiable Invested or deposited in the forms and modes other than those specified under sub-section (5) of section 11.	

Schedule relating to corpus donation, application and replenishment

(i) Representing donations received for the renovation or repair of places notified under 80G(2) (b) on or after 01.04.2020										Yes/No	Yes/No	Yes/No	Yes/No
(ii) Other than (i) above received on or after 01.04.2021													
(iii) Other than (i) and (ii) above													

Schedule FC: Details of foreign contribution		
Nature of foreign contribution received during the previous year	Amount of foreign contribution received during the previous years (In Rs.)	Details of the total application from such contribution during the previous year Amount In Rs.
(i) corpus		
(ii) on- corpus		
Total		

Schedule LB: Details of Loan and Borrowing						
Opening balance as on 1 st April of the previous year	Loan and borrowings taken for applications towards objectives during the previous year	Applied for the objects of the trust or institution during the previous year	Amount of repayment of loan or borrowing during the previous year (which was earlier applied and not claimed as application if such application fulfilled the conditions as required)	Financial year in which (4) was applied earlier	Total repayment of loan or borrowing during the previous year (In Rs.)	Closing Balance as on 31 st March (1+2-6=7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Schedule Int App: Details of income applied outside India										
S.No.	Name of the person to whom remittance is made	Taxpayer Identification Number if available	Amount of remittance out of India which is reported in Form No. 15CA (In Rs.)	Amount of remittance outside India other than (4) (In Rs.)	Charitable or religious purpose for which application is made	Country of application	Whether applied for promoting international welfare in which India is interested and is and not to be included in total income of the auditee?	If approval for application outside India has been taken		
								Approval number	General/special	Date of approval
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Schedules relating to

- Foreign Contribution
- Spending from loan and repayment thereof
- Income applied outside India

Schedule AC: The details of accumulation																
S. No.	Year of accumulation (F.Y.)	Date of furnishing Form 10	Amount accumulated in the year of accumulation	Purpose of accumulation	Amount applied for charitable or religious purposes up to the beginning of the previous year	Balance to be applied (3)-(5)	Amount taxed in any earlier assessment (Fill schedule ACA)	Balance available for application (6)-(7)	Amounts applied for charitable or religious purposes during the previous year out of previous years' accumulation	Amount applied for purposes other than the purpose for which such accumulation was made (if applicable)	Amount credited or paid to any trust or institution registered under section 12AB or approved under sub-clauses (iv) or (v) or (vi) or (via) of clause (23C) of section 10 (if applicable)	Balance amount available for application (8)-(11)	Amount invested or deposited in the modes specified in section 11(5) out of (12)	Amount invested or deposited in the modes specified in section 11(5) out of (12) (if applicable)	Amount which is not utilised during the period of accumulation (if applicable)	Amount deemed to be income within the meaning of section 11 (if applicable)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Provide dropdown															

Schedule relating to accumulation u/s 11(2)

	for the last seven financial years															
	Total															

Schedule ACA: Details of accumulated income taxed in earlier assessment years under sub-section (3) of section 11					
Year of accumulation (F.Y.)	Assessment year in which this amount was taxed				
	Dropdowns to be provided last five previous years beginning from the previous year preceding the current previous year				
Year of accumulation (F.Y.)	Yyyy – yyyy	Yyyy – yyyy	Yyyy – yyyy	Yyyy – yyyy	Yyyy – yyyy
<i>Dropdowns to be provided for last five previous years beginning from the current previous year</i> Yyyy – yyyy					
Total					

Schedule SP-a: Whether any part of income or property of the auditee is lent, or continues to be lent, to the specified person during the previous year?									
S. No.	Name of specified person	PAN of specified person	Details		Details of Security			Details of interest	
			Nature of income or property which is lent	Amount for which income or property is, or continues to be, lent to specified person for any period during the previous year	Nature of security	Value of security	Value of adequate security	Actual rate of interest that is charged	Adequate rate of interest
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Schedule relating to

- Accumulated income taxes in earlier years
- Income or property enjoyed by specified person

Schedule SP-b: Details of land, building or other property of the auditee which is, or continues to be, made available during the previous year for use of the specified person, during the previous year :

S. No.	Name of specified person	PAN of specified person	Details of asset		Duration for which asset is, or continues to be, made available for the use of specified person during the previous year,		Details of rent for the previous year		Details of other compensation for the previous year		
			Nature of asset	Address	From dd/mm/yyyy	To dd/mm/yyyy	Amount of rent	Adequate rent	Nature	Amount of compensation	Adequate compensation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			< land/ building/ other property >								

Schedule SP-c: Details of salary, allowance or otherwise which is paid to the specified person out of the resources of the auditee for services rendered by him during the previous year

S. No.	Name of specified person	PAN of specified person	Nature of services rendered by specified person	Details of payment for the previous year		
				Nature of payment	Amount of payment (in Rs)	Reasonable amount for services
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Schedules relating to transactions with specified persons

				< Salary/ Allowance/ Otherwise (please specify) >		
--	--	--	--	---	--	--

Schedule SP-d: Details of the services of the auditee are made available to the specified person during the previous year?

S. No.	Name of specified person	PAN of specified person	Details of services		Details of remuneration for the previous year		Details of compensation for the previous year		
			Nature of services made available	Value of services made available (In Rs.)	Actual amount of remuneration for the service	Adequate remuneration for the service	Nature of compensation for the service	Actual amount of compensation for the service	Adequate compensation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Schedule SP- e 1 : Details of any share, security is purchased by or on behalf of the auditee from the specified person during the previous year?

S. No.	Name of specified person	PAN of specified person	Nature of property purchased	Details of Shares or Security					Details of other property being movable				
				Name of the company/ concern of which the shares are purchased	Number of shares purchased during the previous year	Price of each share/ security	Total consideration paid share or security	Adequate consideration for shares or security	Nature of property	Number of property purchased	Price of property	Total consideration paid for property during the previous year	Adequate Consideration
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
			< Share/ Security/ Other Property >										

Schedule SP- e 2 : Details in case of other property being immovable:

S. No.	Name of specified person	PAN of specified person	Type of asset	Address of property	Area (in Sq ft)	Stamp duty value	Details of Consideration	
							Amount of consideration paid for asset	Adequate consideration for asset
			< Land/ Residential/ Commercial Property etc >					

Schedules relating to transactions with specified persons

Schedule SP- f1: Details of any share, security sold by or on behalf of the trust or institution to a specified person during the previous year?													
S. No.	Name of specified person	PAN of specified person	Nature of property sold	Details of Shares or Security					Details of Other Property being Movable				
				Name of the Company or Concern of which the shares are sold	Number of shares sold during the previous year	Price of each share or security	Total consideration on share /security	Adequate consideration for share or security	Nature of movable property	Number of movable properties sold	Price of movable property	Total consideration for property during the previous year	Adequate consideration
			<Share/ Security/										

Schedule h : Details of any funds that are, or continue to remain, invested in any concern during the previous year in which the specified person has a substantial interest											
S No	Name of concern	Address of concern	Amount that is or continues to remain invested in concern during the year (In Rs.)	duration of investment during the previous year		Nature of investment	Income from investment during the year	Name of specified person having substantial interest in concern	PAN of specified person	Nature of substantial interest	Nature of concern in which funds are continue to remain invested
				From dd/mm/yyyy	To dd/mm/yyyy						
	< Company/ Others>										

Schedules relating to transactions with specified persons

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
			Other Property										

Schedule SP- f 2: Details in case of other property being immovable:									
S. No.	Name of specified person	PAN of specified person	Type of asset	Address of property	Area (in Sq ft)	Stamp Duty Value	Details of Consideration		
							Amount consideration for asset	of for	Adequate consideration for asset
			< Land/ Residential/ Commercial Property etc>						

Schedule other law violation							
S.no	Name of law under which non-compliance has occurred	Nature of non-compliance	Date of order, direction or decree, holding that such non-compliance has occurred	Whether the order, direction or decree, has been disputed before any court or appellate forum	If yes, whether dispute has attained finality	Has the dispute been finalised in favour of the auditee	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	

Schedule TDS disallowable: Details of amounts inadmissible amount disallowable under thirteenth proviso to clause (23C) of section 10 or sub-section (1) of section 11 read with sub-clause (ia) of clause (a) of section 40:

(a) Details of payment on which tax is not deducted

Date of payment dd/mm/yyyy	Amount of payment (in Rs.)	Nature of payment	Name of Payee	PAN or Aadhar of payee, if available	Address of Payee
(1)	(2)	(3)	(4)	(5)	(6)

(b) Details of payment on which tax has been deducted but has not been paid on or before the due date specified in sub-section (1) of section 139

Date of Payment Dd/mm/yyyy	Amount of payment (in Rs.)	Nature of payment	Name of Payee	PAN or Aadhar of payee, if available	Address of Payee	Amount of tax deducted	Amount out of (7) deposited, if any
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Schedule relating to

- 40(a)(ia)
- 40A(3)

Schedule 40A(3): Details of amount is disallowable under thirteenth proviso to section 10(23C) or Explanation 3 to sub-section (1) of section 11 read with sub-section (3) of section 40A

S. No.	Date of payment	Amount of payment (In Rs.)	Nature of payment (In Rs.)	Details of payee		
				Name	PAN or aadhar, if available	Address

Schedule 40A(3A): Details of Amount disallowable under thirteenth proviso to section 10(23C) /sub-section (1) of section 11 read with sub-section (3A) of section 40A

S. No.	Date of payment	Amount	Nature	Details of payee		
				Name	PAN or Aadhar, if available	Address

Schedule 269SS: Details of loan or deposit or any specified sum taken, exceeding the limit specified in section 269SS during the previous year									
S.No	Name of the lender or depositor	PAN or aadhar, if available	Address	Loan or deposit or any specified sum	Amount of loan or deposit taken or accepted	Whether the loan or deposit was squared up during the previous year? Yes/No	Maximum amount outstanding in the account at any time during the previous year	By cheque or Bank draft or use of electronic clearing system through a bank account or any other mode	Whether account payee if by cheque or Bank draft?

Schedule 269ST: Details of amount received exceeding the limit specified in section 269ST, from a person in a day; or in respect of a single transaction; or in respect of transactions relating to one event or occasion from a person during the previous year?											
S.No	Details of Payee			Details of Transaction					Mode of Repayment		
	Name	PAN, if available	Address	Loan or deposit or any specified advance	Amount	Please specify mode of receipt [by Cheque or bank draft or use of electronic clearing system through a bank account or any other]	Whether Account payee, if by cheque or bank draft?	Whether squared up?	Maximum amount outstanding	By cheque or Bank draft or use of electronic clearing system through a bank account or nay other mode	Whether Account Payee if by cheque or bank draft?

Schedule TDS/TCS									
Tax Deduction and Collection Account Number (TAN)	Section	Nature of payment	Total amount of payment or receipt of the nature specified in column (3)	Total amount on which tax was deducted or collected out of (4)	Total amount on which tax was deducted or collected at specified rate out of	Amount of tax deducted or collected out of (6)	Total amount on which tax was deducted or collected at less than specified rate out of (7)	Amount of tax deducted or collected on (8)	Amount of tax deducted or collected but not deposited to the credit of the Central Government out of (6) and (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Schedule Statement of TDS/TCS				
Tax deduction and collection account number (TAN)	Type of Form	Due date for furnishing	Date of furnishing, if furnished	Whether the statement of tax deducted or collected contains information about all transactions which are required to be reported
(1)	(2)	(3)	(4)	(5)

Schedule Interest on TDS/TCS			
Tax deduction and collection account number (TAN)	Amount of interest under section 201(1A) or 206C(7) is payable	Amount paid out of column (2)	Date of payment Dd/mm/yyyy
(1)	(2)	(3)	(4)

Schedule relating to 269SS, 269ST & 269T

Schedules relating to section wise TDS and TDS returns

Schedule 269T: Details of repayment of any amount being loan or deposit or any specified advance exceeding the limit specified in section 269T, during the previous year?											
S.No	Details of Payee			Details of Transaction					Mode of Repayment		
	Name	PAN, if available	Address	Loan or deposit or any specified advance	Amount	Please specify mode of receipt [by cheque or Bank draft or use of electronic clearing system through a bank account or any other]	Whether Account payee, if by cheque or bank draft?	Whether Squared up?	Maximum amount outstanding	By cheque or Bank draft or use of electronic clearing system through a bank account or nay other mode	Whether account payee if by cheque or bank draft?

Notes to Form 10B

- (1) 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), (v), (vi) or (via) of clause (23C) of section 10 of the Act or any trust or institution referred to in sections 11 or 12 of the Act shall be referred as “auditee” in this form;
- (2) Any person referred to in sub-section (3) of section 13 shall be referred as specified person in this form;
- (3) *In serial number 6, provide the address which has been decided by the management by way of a resolution and which has been intimated to the jurisdictional Assessing Officer in writing within seven days of such resolution as per the proviso to sub-rule (3) of rule 17AA;
- (4) **In serial number 9, for the section under which registered or provisionally registered or approved or provisionally approved one of the following codes shall be selected (details of all the registration/provisional registration or approval or provisional approval or notification which are valid during the previous year should be provided, however where the auditee has got the registration or approval, after provisional registration or approval the details of provisional registration or approval need not be provided):

S. No	Section	Code
(1)	Clause (a) of sub-section (1) of section 12AB of the Act	1
(2)	Clause (b) of sub-section (1) of section 12AB of the Act	2
(3)	Clause (c) of sub-section (1) of section 12AB of the Act	3
(4)	Clause (i) of second proviso to clause (23C) of section 10 of the Act	4
(5)	Clause (ii) of second proviso to clause (23C) of section 10 of the Act	5
(6)	Clause (iii) of second proviso to clause (23C) of section 10 of the Act	6
(7)	Clause (ii) of sub-section (1) of Section 35 of the Act	7
(8)	Clause (ia) of sub-section (1) of Section 35 of the Act	8
(9)	Clause (iii) of sub-section (1) of Section 35 of the Act	9
(10)	Clause (i) of second proviso to sub-section (5) of section 80G of the Act	10
(11)	Clause (ii) of second proviso to sub-section (5) of section 80G of the Act	11
(12)	Clause (iii) of second proviso to sub-section (5) of section 80G of the Act	12
(13)	any other, please specify	13

(5). #In row 10(a), in column (2) for relation one or more of the following codes shall be selected

S. No	Section	Code
(1)	Author	1
(2)	Founder	2
(3)	Settlor	3
(4)	Trustee	4
(5)	Members of society	5
(6)	Members of the Governing Council	6
(7)	Director	7
(8)	Shareholders holding of 5% or more of shareholding	8
(9)	Office Bearer s	9
(10)	Others	10

(6) ##In serial number 10(a), in column (5), and in serial number 10(b), in column (4) for ID code, the following should be filled:

(a) If PAN or Aadhar number is available, the same should be mandatorily filled and the following ID code shall be filled:

Type of identification	Code
PAN	1
Aadhar number	2

(b) If neither PAN or Aadhar is available, one of the following should be filled:

Type of identification	Code
Taxpayer identification Number of the country where the person resides;	3
Passport number;	4
Elector's photo identity number	5
Driving License number	6
Ration card number	7

(7). \$ In serial number 11, for the objects of the auditee, one or more of the following options shall be selected:

S.no	Object	Code
(1)	Religious	1
(2)	Relief of poor	2
(3)	Education	3
(4)	Medical relief	4
(5)	Yoga	5
(6)	Preservation of environment (including watersheds, forests and wildlife)	6
(7)	Preservation of monuments or places or objects of artistic or historic interest	7
(8)	Advancement of any other objects of general public utility	8

(8) In serial number 14(ii), in column (2) one or more of the codes shall be selected:

S.No	Nature of books of account or other document as provided in rule 17AA	Code
(1)	Cash book	1
(2)	Ledger	2
(3)	Journal	3
(4)	Copies of bills, whether machine numbered or otherwise serially numbered, wherever such bills are issued by the assessee, and copies or counterfoils of machine numbered or otherwise serially numbered receipts issued by the assessee	4
(5)	Original bills wherever issued to the person and receipts in respect of payments made by the person	5
(6)	Any other book that may be required to be maintained in order to give a true and fair view of the state of the affairs of the person and explain the transactions effected	6
(7)	Books of account, as referred in Serial No. 1 to 6, for business undertaking referred in sub-section (4) of section 11 of the Act	7
(8)	Books of account, as referred in Serial No 1 to 6,, for business carried on by the assessee other than the business undertaking referred to in sub-section (4) of section 11 of the Act	8
(9)	Record of all the projects and institutions run by the person containing details of their name, address and objectives	9
(10)	Record of income of the person during the previous year as per rule 17AA(1)(d)(ii)	10
(11)	Record of application of income etc. out of income during the previous year as per rule 17AA(1)(d)(iii)	11
(12)	Record of application of income out of the income of any previous year preceding the current previous year as per rule 17AA(1)(d)(iv)	12
(13)	Record of voluntary contribution made with a specific direction that they shall form part of the corpus, as per rule 17AA(1)(d)(v) ;	13
(14)	Record of contribution received for the purpose of renovation or repair of temple, mosque, gurdwara, church or other place notified under clause (b) of sub-section (2) of section 80G which is being treated as corpus, as per rule 17AA(1)(d)(vi)	14
(15)	Record of loan and borrowings as per rule 17AA(1)(d)(vii)	15
(16)	Record of properties as per rule 17AA(1)(d)(viii);	16
(17)	Record of specified persons as per rule 17AA(1)(d)(ix);	17
(18)	Any other documents containing any other relevant information as per rule 17AA(1)(d)(x).	18

(9) In serial number 17 (ii)(c) and 18(ii)(c) upload the Balance Sheet, Profit and Loss Account and Audit Report in Form 3CA or 3CB as applicable (e-filing utility to provide upload facility) for the business undertaking or business incidental to objects.

(10) + Electronic modes shall be the following modes referred in rule 6AABA of the Income-tax Rules, 1962:

- (a) *Credit Card*;
- (b) *Debit Card*;
- (c) *Net Banking*;
- (d) *IMPS (Immediate Payment Service)*;

- (e) *UPI (Unified Payment Interface)*;
- (f) *RTGS (Real Time Gross Settlement)*;
- (g) *NEFT (National Electronic Funds Transfer)*; and
- (h) *BHIM (Bharat Interface for Money) Aadhar Pay*;

(11) ^^In serial number 41, select one or more of the following codes for specified person:

S. No	Nature of person	Code
(1)	the author of the trust or the founder of the institution;	1
(2)	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;	2
(3)	where such author, founder or person is a Hindu undivided family, a member of the family;	3
(4)	any trustee of the trust or manager (by whatever name called) of the institution;	4
(5)	any relative of any such author, founder, person, member, trustee or manager as aforesaid;	5
(6)	any concern in which any of the persons referred above have a substantial interest.	6

(12) Particulars in Schedule 269ST need not be given in the case of receipt by or payment to a Government company, a banking Company, a post office savings bank, a cooperative bank or in the case of transactions referred to in section 269SS or in the case of persons referred to in Notification No. S.O. 2065(E) dated the 3rd July, 2017;

THANK

YOU

NEW FORM NO 10 BB ANALYSED

(Applies to entities that are required to get accounts audited u/s 12A or 10 (23C) – other than those filing Form No. 10B)

Effective from 01.04.2023 (AY 2023 – 24 onwards)

See this PPT after reading the seminar paper and the PPT on Form 10 B

CA. PRASANTH SRINIVAS

Partner, S. S. Ayyar & Co., Chartered Accountants

Thirunakkara West, Temple Road, Kottayam – 686 001

E mail: ssayyarandco@gmail.com Phone: 94471 25731

¹[FORM No. 10BB
[See rule 16CC and 17B]

Audit report under clause (b) of the tenth proviso to clause (23C) of section 10 and sub-clause (ii) of clause (b) of sub-section (1) of section 12A of the Income-tax Act, 1961, in the case of a fund or trust or institution or any university or other educational institution or any hospital or other medical institution which is required to be furnished under clause (b) of the tenth proviso to clause (23C) of section 10 or a trust or institution which is required to be furnished under sub-clause (ii) of clause (b) of section 12A

* I/We have examined the balance sheet of [name of the fund or trust or institution or any university or other educational institution or any hospital or other medical institution] as at and the Income and Expenditure account or Profit and Loss account for the year ended on that date are in agreement with the books of account maintained by the said fund or trust or institution or university or other educational institution or hospital or other medical institution.

* I/We have obtained all the information and explanations to the best of *my/our knowledge and belief which are necessary for the purposes of the audit.

In * my/our opinion, proper books of account have been maintained at the registered office of the above named fund or trust or institution or university or other educational institution or hospital or other medical institution at the address mentioned at row 11 of the Annexure :

In *my/our opinion and to the best of *my/our information and according to explanations given to *me/us, the particulars given in the Annexure are true and correct subject to following observations or qualifications, if any—

- (a)
- (b)
- (c)

In * my/our opinion and to the best of * my/our information, and according to information given to * me/us, the said accounts give a true and fair view—

- (i) in the case of the balance sheet, of the state of affairs of the above named * fund or trust or institution or university or other educational institution or hospital or other medical institution as on _____;and
- (ii) in the case of the Income and Expenditure account or Profit and Loss account, of the income and application/ profit or loss of its accounting year ending on

subject to the following observations/qualifications—

- (a)
- (b)
- (c)

The prescribed particulars are annexed hereto.

Place :

Date :

Signed Accountant †
Name
Membership Number
Address

Audit report proforma

Same as Form 10B

ANNEXURE
Statement of particulars

Basic Details	1.	PAN of the auditee						A B C D E 1 2 3 4 F								
	2.	Name of the auditee														
	3.	Assessment Year														
	4.	Previous Year						d d m m y y y y			To			d d m m y y y y		
	5.	Registered address of the auditee														
	6.	Other addresses, if applicable						< refer note*>								
Legal	7.	Type of the auditee						Trust <input type="checkbox"/> Society <input type="checkbox"/> Company <input type="checkbox"/> Others <input type="checkbox"/>								
	8.	Whether the auditee is established under an instrument?						Yes/No								
Management	9.	(a) Details of all the Author (s)/ Founder (s)/ Settlor (s)/Trustee (s)/ Members of society/Members of the Governing Council/ Director (s)/ shareholders holding 5% or more of shareholding / Office Bearer (s) of the auditee at any time during the previous year														
		Name of person	Relation < refer note#>	Percentage of shareholding in case of shareholder	Unique Identification Number	Id Code <refer note##>	Address	Whether there is any change in relation during previous year of audit Yes/No			If yes, specify the change					
		(1)	(2)	(3)	(4)	(5)	(6)	(7)			(8)					
		(b) In case if any of the persons [as mentioned in row 9(a)] is not an individual, then provide the following details of the natural persons who are beneficial owners (5% or more) of such person during the previous year														
		Sl. No.	Name	Unique Identification Number	ID code < refer note##>	Address	Non-individual person [as mentioned in serial number no 9(a)] in which beneficial ownership held	Percentage of beneficial ownership	Whether there is any change during previous year of audit Yes/No		If yes, specify the change					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)						

Annexure
Para 1 to 9

Basic details

Annexure Para 10 to 20

**Provisional registration
details – commencement
of activities? – applied for
regular registration?**

**Books of accounts – See
Rule 17AA discussed
elsewhere**

**Voluntary contribution, FC,
80G donation, anonymous
donations etc details – as
in Form 10B**

Commencement of activities	10.	(i)	Where the auditee has been granted provisional registration or provisional approval, whether activities have commenced during the previous year	Yes/No								
		(ii)	If yes in 10 (i) , date of commencement of activities	<table border="1" style="display: inline-table;"> <tr> <td>d</td><td>d</td><td>m</td><td>m</td><td>y</td><td>y</td><td>y</td><td>y</td> </tr> </table>	d	d	m	m	y	y	y	y
		d	d	m	m	y	y	y	y			
		(iii)	If the answer to 10(i) is yes, whether application for registration under section sub-clause (iv) of clause (ac) of sub-section (1) of section 12A or approval under clause (iii) of the first proviso to clause (23C) of section 10 has been filed?	Yes/No								
(iv)	If yes in 10(iii) above, the date of application for registration or approval	<table border="1" style="display: inline-table;"> <tr> <td>d</td><td>d</td><td>m</td><td>m</td><td>y</td><td>y</td><td>y</td><td>y</td> </tr> </table>	d	d	m	m	y	y	y	y		
d	d	m	m	y	y	y	y					
Details of Place where books of accounts and other documents have been	11.	(i)	Whether the books of account and other documents have been kept and maintained in the form and manner and at such place as prescribed under rule 17AA by the auditee?	Yes/No								
		(ii)	If Yes in (i) above, whether books of account maintained are maintained at registered office?	Yes/No								
		(iii)	If No in (ii) above, provide the following details regarding any place other than the registered place where the books of account are maintained									
		(a)	Address of such place where the books are maintained									
		(b)	Date of decision by management to keep account at such place	dd/mm/yyyy								
	(c)	Date of intimation to Assessing Officer that accounts are kept at such place under proviso to sub-rule (3) of rule 17AA	dd/mm/yyyy									
Voluntary contributions	12.	Whether auditee has filed Form No. 10BD for the previous year < If No then skip to serial number 14 >			Yes/No							
	13.	Sum total of donations reported in Form No. 10BD furnished by the auditee for the previous year			(Amount in Rs.)							
	14.	Donations not reported in Form No 10BD/ Not required to fill Form No. 10BD			Amount in Rs.							
	15.	Total voluntary contributions received by the auditee during the previous year [13+14]			Amount in Rs.							
	16.	Total Foreign Contribution out of the total voluntary contributions stated in 15			Amount in Rs.							
	17.	Voluntary Contribution forming part of corpus (which are included in 15)			Amount in Rs.							
	18.	Anonymous donations taxable @30% under section 115BBC			Amount in Rs.							
	19.	Application outside India for which approval as per the proviso to clause (c) of sub-section (1) of section 11 has been obtained			Amount in Rs.							
	20.	Voluntary contributions required to be applied by the auditee during the previous year [15-(17+18+19)]			Amount in Rs.							

Annexure Para 21 to 23(viii)

	21.	Income other than voluntary contributions derived from property held under the trust referred to in section 11	Amount in Rs.
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		or income of fund or institution or trust or any university or other educational institution or any hospital or other medical institution other than the contribution reported in serial number 15	
	22.	Income required to be applied in India by the auditee during the previous year [20+21]	Amount in Rs.
	23.	Application of income (excluding application not eligible and reported under serial number 27)	
	(i)	Total amount applied for charitable or religious purposes in India during the previous year	Amount in Rs.
	(ii)	Amount which was not actually paid during the previous year [if included in (i)]	Amount in Rs.
	(iii)	Amount actually paid during the previous year which accrued during any earlier previous year but not claimed as application of income in earlier previous year	Amount in Rs.
	(iv)	Total amount to be allowed as application [23(i)- 23(ii) +23(iii)]	Amount in Rs.
	(v)	Amount invested or deposited back in corpus which was applied during any preceding previous year and not claimed as application during that previous year	Amount in Rs. < >
	(vi)	Repayment of loan or borrowing during the previous year which was earlier applied and not claimed as application during that previous year	Amount in Rs.
		Amount to be disallowed from application	
	(vii)	Amount disallowable under thirteenth proviso to clause (23C) of section 10 or Explanation 3 to sub-section (1) of section 11 read with sub-clause (ia) of clause (a) of section 40	Amount in Rs. < Fill schedule TDS Disallowed>
	(viii)	Amount disallowable under thirteenth proviso to section 10(23C) or Explanation 3 to sub-section (1) of section 11 read with sub-section (3) or (3A) of section 40A	Amount in Rs. < Fill schedule 40A(3)/schedule 40A(3A)>

- Income from property held under trust
- Application of Income
- (same as Form 10B)

(ix)	Donation 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 - clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 of the Act or any trust or institution referred to in sections 11 or 12 of the Act towards corpus	Amount in Rs.
(x)	Donation 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 - clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 of the Act or any trust or institution referred to in sections 11 or 12 of the Act not having same objects	Amount in Rs.
(xi)	Donation to any person other than any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub - clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 of the Act or any trust or institution referred to in sections 11 or 12 of the Act	Amount in Rs.
(xii)	Application outside India for which approval under the proviso to clause (c) of sub-section (1) of section 11 has not been obtained	Amount in Rs.
(xiii)	Application outside India for which approval under the proviso to clause (c) of sub-section (1) of section 11 has been obtained	Amount in Rs.
(xiv)	Applied for any purpose beyond the objects of the trust or institution	Amount in Rs.
(xv)	Any other disallowance	Amount in Rs.
(xvi)	Total allowable application [{23(iv)+23(v)+23(vi) – {23(vii) to 23(xv)}}]	Amount in Rs.
(xvii)	Amount deemed to have been applied during the previous year under clause (2) of Explanation 1 to sub-section (1) of section 11	Amount in Rs.
(xviii)	Income accumulated under the provisions of Explanation 3 to the third proviso to clause (23C) of section 10 or sub-section (2) of section 11	Amount in Rs.
(xix)	Income accumulated or set apart for application to charitable or religious purposes or stated objects of trust or institution to the extent it does not exceed 15 % of the income	Amount in Rs.

Annexure Para 23(ix) to 23 (ix)

- Application of income contd...
- Grey areas – Paras (x) & (xi)
- Same as form 10B

	24.	Taxable income 22- [23(xvi) to 23(xix)]					Amount in Rs.
	25.	Income taxable under section 115BBI					Amount in Rs.
	26.	Anonymous donation which is chargeable to tax @ 30 % under section 115BBC					Amount in Rs.
Application of income out of different sources	27.	Application of income out of the following sources during the previous year					Amount in Rs.
	(A)	Income accumulated under the third proviso to clause (23C) of section 10 or under sub-section (2) of section 11 during any earlier previous year				Total Amount (Rs.)	
	(B)	Income deemed to be applied in any preceding year under clause (2) of <i>Explanation 1</i> to sub-section (1) of section 11 during any earlier previous year				Total Amount (Rs.)	
	(C)	Income of earlier previous years up to 15% accumulated or set apart				Total Amount (Rs.)	
	(D)	Corpus				Total Amount (Rs.)	
	(E)	Borrowed fund				Total Amount (Rs.)	
	(F)	Any other (please specify)				Total Amount (Rs.)	
Person referred to in 13(3)	28.	Details of specified person** as referred to in sub-section (3) of section 13					
		Code of person referred to in sub-section (3) of section 13 <Refer Note^^>	Name of such person	PAN of such person	Aadhar number of such person, if allotted	Address of such person	If code 2 selected in column (1) specify the amount of contribution made to the auditee

Annexure Para 24 to 28

- Application from accumulated funds, corpus donation, borrowed funds etc.
- Details of specified persons
- Refer 10B PPT

29.	Details of income/property referred to in section 13 (2)		
(a)	Whether any part of the income or property of the auditee is, or continues to be, lent to any specified person for any period during the previous year without either adequate security or adequate interest or both	Yes/No	If yes amount in Rs.
(b)	Whether any land, building or other property of the auditee is, or continues to be, made available for the use of any specified person, for any period during the previous year without charging adequate rent or other compensation	Yes/No	If yes amount in Rs.
(c)	Whether any amount is paid by way of salary, allowance or otherwise during the previous year to any specified person out of the resources of the auditee for services rendered by that person to such auditee and the amount so paid is in excess of what may be reasonably paid for such services	Yes/No	If yes amount in Rs.
(d)	Whether the services of the auditee are made available to any specified person during the previous year without adequate remuneration or other compensation	Yes/No	If yes amount in Rs.
(e)	Whether any share, security or other property is purchased by or on behalf of the auditee from any specified person during the previous year for consideration which is more than adequate	Yes/No	If yes amount in Rs.
(f)	Whether any share, security or other property is sold by or on behalf of the auditee to any specified person during the previous year for consideration which is less than adequate	Yes/No	If yes amount in Rs.
(g)	Whether any income or property of the auditee is diverted during the previous year in favour of any specified person	Yes/No	If yes amount in Rs.
(h)	Whether any funds of the auditee are, or continue to remain, invested for any period during the previous year, in any concern in which any specified person has a substantial interest	Yes/ No	If yes amount in Rs.

Annexure Para 29

Specified Persons' transactions

30.	Whether the auditee has incurred any specified violation as referred to in Explanation 2 to the fifteenth proviso to clause (23C) of section 10 or Explanation to sub-section (4) of section 12AB and the amount of such violation	Yes/No	Amount in Rs.
(a)	Income of the auditee has been applied, other than for the objects of the trust or institution.	Yes/No	Amount in Rs.
(b)	Whether the auditee 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 auditee in respect of the business which is incidental to the attainment of its objectives.	Yes/No	Amount in Rs.
(c)	Whether the auditee, referred to in clause (a) of sub-section (1) of section 13, has applied any part of its income from the property held under a trust for private religious purposes, which does not enure for the benefit of the public.	Yes/No	Amount in Rs.
(d)	Whether the auditee, referred to in clause (b) of sub-section (1) of section 13, has applied any part of its income for the benefit of any particular religious community or caste.	Yes/No	Amount in Rs.
(e)	Whether any activity being carried out by the auditee is not genuine or is not being carried out in accordance with all or any of the conditions subject to which it was registered.	Yes/No	Amount in Rs.
(f)	Whether the auditee has not complied with the requirement of any other law, for the time being in force, 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.	Yes/No	
31.	Whether there is any claim of depreciation or otherwise has been made in terms of Explanation 1 to clause (23C) of section 10 or sub-section (6) of section 11 in respect of any asset, acquisition of which has been claimed as an application of income and the amount of such depreciation?	Yes/No	If yes specify the amount
32.	Whether the auditee is required to deduct or collect tax as per the provisions of Chapter XVII-B or Chapter XVII-BB	(If yes, fill Schedule TDS/TCS/ Interest on TDS/TCS as applicable)	

Annexure Para 30 to 32

- **Computation when certain provisions are violated**
- **Depreciation claimed?**
- **TDS details**

Schedules to fill as may be applicable < refer to instructions> Form 10BB							
Schedule TDS disallowable: Details of amounts inadmissible and amount disallowable under thirteenth proviso to clause (23C) of section 10 or sub-section (1) of section 11 read with sub-clause (ia) of clause (a) of section 40:							
(a) Details of payment on which tax is not deducted							
Date of Payment dd/mm/yyyy	Amount of payment (in Rs.)	Nature of payment	Name of payee	PAN or Aadhar of payee, if available	Address of payee		
(1)	(2)	(3)	(4)	(5)	(6)		
(b) Details of payment on which tax has been deducted but has not been paid on or before the due date specified in sub-section (1) of section 139							
Date of Payment dd/mm/yyyy	Amount of payment (in Rs.)	Nature of payment	Name of Payee	PAN or Aadhar of payee, if available	Address of payee	Amount of tax deducted	Amount out of (7) deposited, if any
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Schedules relating to 40(a)(ia)

Schedule 40A(3): Details of amount is disallowable under thirteenth proviso to section 10(23C) or Explanation 3 to sub-section (1) of section 11 read with sub-section (3) of section 40A

S. No.	Date of payment	Amount of payment (In Rs)	Nature of payment (In Rs)	Details of payee		
				Name	PAN or Aadhar, if available	Address

Schedule 40A(3A): Details of Amount disallowable under thirteenth proviso to section 10(23C) or sub-section (1) of section 11 read with sub-section (3A) of section 40A

S. No.	Date of payment	Amount	Nature	Details of payee		
				Name	PAN or Aadhar, if available	Address

Schedule relating to 40A(3)

Schedule TDS/TCS									
Tax deduction and collection account number (TAN)	Section	Nature of payment	Total amount of payment or receipt of the nature specified in column (3)	Total amount on which tax was required to be deducted or collected out of (4)	Total amount on which tax was deducted or collected at specified rate out of (5)	Amount of tax deducted or collected out of (6)	Total amount on which tax was deducted or collected at less than specified rate out of (7)	Amount of tax deducted or collected on (8)	Amount of tax deducted or collected but not deposited to the credit of the Central Government out of (6) and (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Schedule Statement of TDS or TCS				
Tax deduction and collection account number (TAN)	Type of Form	Due date for furnishing	Date of furnishing, if furnished	Whether the statement of tax deducted or collected contains information about all transactions which are required to be reported
(1)	(2)	(3)	(4)	(5)

Schedule Interest on TDS/TCS			
Tax deduction and collection account number (TAN)	Amount of interest under section 201(1A) or 206C(7) is payable	Amount paid out of column (2).	Date of payment of amount
(1)	(2)	(3)	(4)

Schedule relating TDS and TDS filing

Notes to Form 10BB

1. Any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub - clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 of the Act or any trust or institution referred to in sections 11 or 12 of the Act shall be referred as “auditee” in this form;
2. **Any person referred to in sub-section (3) of section 13 shall be referred as specified person in this form;
3. *In serial number 6, provide the address which has been decided by the management by way of a resolution and which has been intimated to the jurisdictional Assessing Officer in writing within seven days of such resolution as per the proviso to sub-rule (3) of rule 17AA;
4. #In serial number 9(a), in column (2) for relation one or more of the following codes shall be selected

S. No	Section	Code
(1)	Author	1
(2)	Founder	2
(3)	Settlor	3
(4)	Trustee	4
(5)	Members of society	5
(6)	Members of the Governing Council	6
(7)	Director	7
(8)	Shareholders holding 5% or more of shareholding	8
(9)	Office Bearer (s)	9
(10)	Others	10

Instructions

5. ##In serial number 9(a), in column (5), and in serial number 9(b), in column (4) for unique identification number and if code, the following should be filled:

- (c) If PAN or Aadhar number is available, the same should be mandatorily filled and the following ID code shall be filled:

Type of Identification	Code
PAN	1
Aadhar Number	2

- (d) If neither PAN or Aadhar is available, one of the following should be filled:

Type of Identification	Code
Taxpayer Identification Number of the country where the person resides;	3
Passport number;	4
Elector's photo identity number	5
Driving License number	6
Ration card number	7

Instructions

6. ^^In serial number 28, select one or more of the following codes for specified person:

S. no	Nature of person	Code
(1)	the author of the trust or the founder of the institution;	1
(2)	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;	2
(3)	where such author, founder or person is a Hindu undivided family, a member of the family;	3
(4)	any trustee of the trust or manager (by whatever name called) of the institution;	4
(5)	any relative of any such author, founder, person, member, trustee or manager as aforesaid;	5
(6)	any concern in which any of the persons referred above have a substantial interest.	6

THANK

YOU

Salient features of ITR 7 (applicable for AY 2023-24)

**CA. Prasanth Srinivas
S. S. Ayyar & Co., Chartered Accountants
Ajantha, Thirunakkara West
Kottayam – 686 001
Phone: 9447125731 E-mail: ssayyarandco@gmail.com**

Persons required to file ITR 7

Section reference	Description
139 [4A]	Charitable/religious trust eligible for exemption u/s 11 and 12.
139 [4B]	Political parties claiming exemption u/s 13A.
139 [4C]	<ul style="list-style-type: none">• Certain specified entities like:<ul style="list-style-type: none">○ Scientific research associations○ News agency○ Associations u/s 10 [23A] – Institutions governing profession of law, medicine, accountancy, engineering, architecture or other notified professions.○ Institutions u/s 10 [23B] – Khadi and village industry units.○ Institutions referred to in sec. 10 [23C]○ Mutual funds, securitization trust, venture capital co., trade unions etc.
139 [4D]	Schools, colleges, institutions etc. that are not specifically covered under sec. 139 but are required to file ITR under any other provision of the Act
139 [4E]	Business trust
139 [4F]	Investment fund referred to in section 115 UB

Contents of ITR 7

- **Part A** comprising of general information and 33 schedules.
- **Part B** comprising of total income and tax computation. [3 schedules in total]
- **Signing and verification**

General information

- Name, address, PAN.
- Section under which return is filed.
- Exemption claimed under which section?
- Details about project/ institution.
- Details about registration/ provisional registration.
- Details of FCRA registration, DARPAN registration etc.
- Type of return – original, revised, belated, modified, updated etc.

General information [contd...]

- Details about objectives of general public utility
- Details about change in objects
- Details about specific violations – 22nd proviso to section 10 [23C] or section 13 [10]
- In audit cases – details of auditor, date of audit report, date of uploading audit report etc..
- List of authors, founders etc..
- List of specified persons.

Schedules to Part A of ITR 7

Schedule reference	Brief particulars
Schedule I	Details of amount accumulated for 5 years u/s 11[2] etc..
Schedule I A	Income accumulated in earlier years now taxable
Schedule D	Deemed application under explanation 1 to section 11 [1]
Schedule D A	Income accumulated in earlier years now taxable
Schedule J	Investments of funds as on last day of the year
Schedule BS	Balance sheet
Schedule R	Reconciliation of corpus of schedule J and balance sheet.
Schedule L A	Details regarding political party.
Schedule E T	Details regarding Electoral trust
Schedule V C	Details regarding voluntary contribution received
Schedule A I	Details regarding income other than voluntary contribution
Schedule A	Details regarding income applied for the objects of the trust

Schedules to Part A of ITR 7 contd...

Schedule reference	Brief particulars
Schedule I E-1	Income and expenditure a/c
Schedule I E-2	Income and expenditure statement 10 [23A] , 10 [24]
Schedule I E-3	Income and expenditure statement 10 [23C] – [iiiab & iiiac]
Schedule I E-4	Income and expenditure statement 10 [23C] – [iiiad & iiiae]
Schedule HP	House property income
Schedule CG	Capital gains
Schedule VDA	Gain from transfer of virtual digital assets
Schedule OS	Income from other sources
Schedule OA	General details
Schedule BP	Income from business or profession
Schedule CYLA	Details of current year losses adjusted.

Schedules to Part A of ITR 7 contd...

Schedule reference	Brief particulars
Schedule PTI	Pass through income details
Schedule SI	Income chargeable to tax at special rates
Schedule 115 TD	Accreted income and exit tax details
Schedule 115 BBI	Income from specified violations and tax thereon
Schedule FSI	Income from outside India
Schedule TR	Tax relief for taxes paid outside India
Schedule FA	Details of foreign assets
Schedule SH	Share holding in unlisted companies

Schedules to Part B of ITR 7

Schedule reference	Brief particulars
Schedule TI	Computation of total taxable income
Schedule TTI	Computation of tax payable on total income
Schedule 15	Details of TDS, TCS, advance tax, self-assessment tax and other tax payments

Verification of ITR 7

- The signatory shall verify the ITR by DSC if the trust/institution is liable for tax audit and uploading tax audit report.
- In other cases, ITR shall be verified by DSC, EVC, sending ITR V to CPC etc..

For your valuable views...

THANK YOU

A case study on computation of income of a public charitable trust

Strictly for academic purposes - Please refer relevant statutory provisions

Compiled by: CA. Prasanth Srinivas, Kottayam

Base data

Name of the Assessee	Kochi Medical foundation, Kakkanad, Kochi - 682 030	
Constitution	Public Charitable Trust vide trust deed dated 01.04.1980	
Objects	Medical relief Relief of the poor Education Object of general public utility	
PAN	AAATT 0123 K	
Registration u/s 12AB	AAATT0123KE12153 10.03.2022 Principal CIT WEF 01.04.2021	AAATT0123KF12160 (80G)
Managing Trustee	Krishnan Subramani S/O Subramani Dob: 11.10.1970 AAAPK2140R 801423121507 (Aadhaar)	<i>Aadhaar OTP is sufficient if form 3CD is not there</i>
Enclosed	1. Income and expenditure account 2. Balance Sheet 3. Computation Statement	
Documentation from auditor side <i>(Illustrative)</i>	1. Appointment letter 2. Previous auditor communication 3. Audit engagement letter / letter regarding scope of work 4. Audit working papers 5. Comments and observations forming part of report 6. Udin / Digisign record 7. Letter of representation	

Kochi Medical foundation, Kakkanad, Kochi - 682 030

Balance Sheet as at 31.03.2023

<u>Sources of funds</u>			
		<u>31.03.2023</u>	<u>31.03.2022</u>
Own funds (including FC)	Sch 1	5,75,00,000	7,00,00,000
Bank Loan (taken after 01.04.21)	Sch 2	55,00,000	80,00,000
Payables		1,70,00,000	1,20,00,000
	Total Rs.	8,00,00,000	9,00,00,000
<u>Application of funds</u>			
		<u>31.03.2023</u>	<u>31.03.2022</u>
Fixed Assets			
Gross Block	Sch 3	5,00,00,000	4,80,00,000
Depreciation		25,00,000	30,00,000
	Rs.	4,75,00,000	4,50,00,000
Other assets			
Stock of medicines and stores		50,00,000	50,00,000
Receivables		20,00,000	20,00,000
Bank balances	Sch 4	2,50,00,000	3,75,00,000
Cash Balance		5,00,000	5,00,000
	Rs.	3,25,00,000	4,50,00,000
	Total Rs.	8,00,00,000	9,00,00,000

Kochi

17.10.2023

Krishnan Subramani

Managing Trustee

As per report of even date u/s 12A of the Income Tax Act

Kochi

18.10.2023

Auditor details and UDIN

Schedule 1 - Own Funds				
			31.03.2023	31.03.2022
Capital Fund		See	3,50,00,000	5,00,00,000
Funds Accumulated u/s 11(2)		workings	50,00,000	1,25,00,000
Corpus Fund		below	1,75,00,000	75,00,000
			<u>5,75,00,000</u>	<u>7,00,00,000</u>
			-	-

Workings vis a vis own funds				
	Opening	Addition	Deletion	Closing
Capital Fund	5,00,00,000	-1,00,00,000	50,00,000	3,50,00,000
Section 11(2) Funds	1,25,00,000	25,00,000	1,00,00,000	50,00,000
Corpus Funds	75,00,000	1,25,00,000	25,00,000	1,75,00,000
Rs.	<u>7,00,00,000</u>	<u>50,00,000</u>	<u>1,75,00,000</u>	<u>5,75,00,000</u>

Schedule 2 - Bank Loan				
Opening Balance				80,00,000
Addition				<u>30,00,000</u>
				1,10,00,000
Deletion				<u>55,00,000</u>
			Rs.	<u>55,00,000</u>
				-

Schedule 3 - Fixed Assets				
Opening Balance				4,50,00,000
Addition				<u>50,00,000</u>
				5,00,00,000
Depreciation				<u>25,00,000</u>
			Rs.	<u>4,75,00,000</u>

Schedule 4 - Bank Balances				
Earmarked for 11(2) Funds				50,00,000
Earmarked for Corpus Funds				1,75,00,000
Other bank balances (bal fig)				<u>25,00,000</u>
			Rs.	<u>2,50,00,000</u>

Kochi Medical foundation, Kakkanad, Kochi - 682 030

Computation statement for IT Assessment Year 2023 - 24

Income

Voluntary Contributions			
10BD donations		8,00,000	
Cash greater than Rs. 2000		1,00,000	
Donations not included in Form 10BD		7,00,000	
		<u>16,00,000</u>	
Other donations	9,00,000		
Government grants	5,00,000	14,00,000	
Domestic donations		<u>30,00,000</u>	
Foreign contribution		15,00,000	45,00,000
Other receipts			
Income from main object		6,00,00,000	
Interest income		55,00,000	6,55,00,000
Corpus donation		1,25,00,000	
Less: Exempt u/s 11(1d)		1,25,00,000	-
		<u>Total Income (Rs.)</u>	<u>7,00,00,000</u>
		Amount to be applied @ 85% Rs.	<u>5,95,00,000</u>

Income Applied

Revenue expenses			
Medical relief			7,25,00,000
Relief of the poor			50,00,000
			<u>7,75,00,000</u>
Less:	Applied from 11(2) funds	1,00,00,000	
	Applied from corpus donation	25,00,000	
	Applied from capital fund (to the extent of 15%)	50,00,000	1,75,00,000
			<u>6,00,00,000</u>
Less:	Adjustments as per Expl 3 to Sec 11		
	Section 40(a)(ia) - 30% of 5,00,000	1,50,000	
	Section 40A(3)	1,00,000	2,50,000
			<u>5,97,50,000</u>
Less:	Increase in payables		50,00,000
			<u>Revenue (Rs.)</u>
			<u>5,47,50,000</u>
Capital expenses			
Addition to Fixed Assets			50,00,000
Less: applied from loan			30,00,000
			<u>Capital (rs.)</u>
			<u>20,00,000</u>
Loan repaid		Rs.	<u>55,00,000</u>
Total Application (out of which Rs. 50 lakhs is relief of poor)		Rs.	<u>6,22,50,000</u>

Statement of Income and tax

Income			7,00,00,000
Applied	88.93%	6,22,50,000	
Accumulation u/s 11(2)	File Form 10	3.57%	25,00,000
Surplus not exceeding 15%		7.50%	52,50,000
			<u>7,00,00,000</u>
		Income (Rs.)	-
Tax due		Rs.	Nil
TDS (Refund due)			
Section 194A			5,50,000
Section 194J	(Health Insurance receipts - Disclose in 10B)		1,00,000
		Rs.	<u>6,50,000</u>