Trusts and Institutions – section 10(23C) VS section 11+12+13

Section 10(23C) - any income received by any person on behalf of the following entities.

Sub- Clauses list (i) to (via) - contain 14 sub clauses.

(i) + (ii) + (iii) , (iiia) , (iiiaa) , (iiiaaa) , (iiiab) , (iiiac) , and an explanation to sub clauses (ab) and (ac) , (iiiad) , (iiiae) , (iv) , (v) , (vi) , (via) . + 18 provisos and an explanation.

(iiiab) – is for education purpose only – university or education institution.

(iiiac)- is for hospital or other institution – philanthropic purpose.

Explanation to (iiiab)+(iiiac) read with Rule.2BBB(>50% of the total receipts including any voluntary contributions then it is substantially financed by govt.)

In both above clauses some part of amount should come from government and it is condition given in those clauses.)

(iiiad) read with Rule 2BC – existing solely for education purpose only but the aggregate annual receipts of these should not exceed Rs.1 Crore.

(iiiae) read with Rule 2BC – existing solely for philanthropic purpose only but the aggregate annual receipts of these should not exceed Rs.1 Crore.

(iv) read with Rule 2C- fund or institution is established for charitable purpose and approved by **CIT(EXEMPTIONS).** And objects of the fund must be given importance only to india.

(v) read with Rule 2C – trust or institution is for wholly religious or religious and charitable and approved by **CIT(EXEMPTIONS).**

(vi) read with Rule 2CA – university or other educational institution – existing only for education purpose and not those already mentioned in (iiiab) and (iiiad). And it is approved by **CIT(EXEMPTIONS).**

(via) read with Rule 2CA – hospital or other institution - existing solely for philanthropic purpose and not those already mentioned in (iiiac) and (iiiae) and it is approved by **CIT(EXEMPTIONS).**

Proviso -1 read with Rule 2C+2CA is for sub-clause (iv), (v), (vi), (via) is to make application in Form no 56/56D for the purpose of granting exemption or continuance thereof to **CIT (EXEMPTIONS)**

Rule 2C is for sub-clauses (iv) and (v) – FORM NO-56

Rule 2CA is for sub-clauses (vi) and (via) – FORM NO -56D

Proviso-2 is also for sub-clauses (iv) , (v) , (vi) , (via) – and it is meant for calling such documents by PA to satisfy about the genuineness of the activities and also for enquiries and these all are done before approving. (PA=Prescribed Authority)

Proviso-3 is for (iv), (v), (vi), (via) – which contains clause (a) and (b).

Clause (a) speak about accumulation of more than 15% is for a period of 5 years only.

Clause (b) speaks about restriction on investment or deposit about its funds – and it provides 5 exceptions which mean those sub-clauses can neither invest nor deposit.

Proviso-4 is for (iv) , (v) – time limit about investment or deposit made <01.04.1989 and that to specified modes of section 11(5) only and no such investment nor deposit should be seen >30.03.1993 then exemption should not be denied.

Proviso -5 is for (vi), (via) – time limit about investment or deposit made <01.06.1998 and that to specified modes of section 11(5) only and no such investment nor deposit should be seen >30.03.2001, then exemption should not be denied.

Proviso-6 is for – (iv) , (v) , (vi) , (via) speaks about voluntary contributions .

Proviso-7 is for (iv) , (v) , (vi) , (via) - shall not apply to income of business which is incidental to the attainment of objectives and separate books are maintained by it in respect of such business.

Proviso-8 is for (iv) , (v) .

Proviso -9 is for (iv) , (v) , (vi) , (via)

Proviso -10 is for (iv) , (v) , (vi) , (via) read with Rule 16CC and FORM NO 10BB. i.e without giving effect of sub-clauses (iv) , (v) , (vi) , (via) exceeds the slab shall get accounts audited.

Proviso-11 read with section 80G(2)(d) + 80G(5C)(v).

Proviso -12 is for (iv) , (v) , (vi) , (via)

Proviso -13 is for (iv) , (v) , (vi) , (via) – withdrawing the approval and notification is rescinded, and that copy is given to person referred in sub-clauses (iv) , (v) , (vi) , (via) and to AO.

Proviso -14 is for (iv) , (v) , (vi) , (via) those who makes application as per proviso-1 on or after 01.06.2006 shall be made on or before 30.09.xxxx for that relevant AY.

Proviso -15 read with section 115BBC – anonymous donations on which tax is payable shall be included in total income.

Proviso-16 is for (iv) and (v) i.e pending application made before 01.06.2007 shall stand transfer to PA.

Proviso-17 is for (iv) and (v) – says if 1st proviso of section 2(15) applies then its income shall be included in total income.

Proviso -18 – section 10(1) is only allowed and no other clauses of this section 10 shall be excluded from total income of the person in receipt.

Explanation to section 10(23C) – says if dep claimed then no application of income, and if application of income is claimed then no deprecation is allowed as deduction.

SEC 11	SEC 12	SEC 12A	SEC 12AA	SEC 13	RULES	FORMS
Income from property held for C or R purposes	**Income of trusts or institutions from contributions**	**Conditions for applicability of sec 11 and 12**	**Procedure for registration**	**Sec 11 not to apply in certain cases**	**Sec 11- R.17+17C. Sec 12A- R.17A+17B.**	**Sec 11 – F.no.10+9A Sec 12A- F.no.10A+10B.**
(1)(a)	(1)	(1)(a)+pro-1+2	(1)(a)	(1)(a)		
(1)(b)	(2)	(1)(aa)	(1)(b)+pro	(1)(b)	R.17A	10A
(1)(c)(i)/(ii)+pro	Exp to (2)	(1)(b)	(1A)	(1)(c)(i)/(ii)+pro-1+2+exp +Sec 13(3)	R.17B	10B
(1)(d)	(3)	(2)+pro-1+2+3	(2)	(1)(d)(i)/(ii)/(iii)+pro+ Exp to pro		
Exp for (a)+(b)			(3)+pro	(2) contains (a) to (h)+pro to (g) + sec 13(3)	*R.17(1)*	*9A-OPTION*
(1A)(a)			(4)+pro	(4)		
(1A)(b)				(5)		
Exp to (1A)				(6)		
(1B)(a)				(7)		
(1B)(b)				(8)		
(2)(a)				*(9)(i)/(ii)*	*R.17(2)+(3)+(4)*	*10-STATEMENT*
(2)(b)				Exp-1 is for sec.11+12+12A		
(2)(c)				Exp-2 – Sec 13(1)(b)		
Proviso				Exp-3 – for sec 13		
Exp to (2)						
(3)(a)						
(3)(b)						
(3)(c)						
(3)(d)						
(3A) + PRO-1+2						
(4)						
(4A)						
(5): (i)-(xii)					RULE-17C	
(6)						
(7)						

Note:-

1. For Rules and Forms mapped in front of sections had already wrote in the heading in order to avoid confusion

2. Italic design applied means finance act 2015 amendments.

3. Rules and forms italic design applied means income tax (first amendment) Rules 2016.

115BBC: Anonymous donations to be taxed in certain cases.

(1)(i)(A)/(B)

(1)(ii)

(2)(a)/(b)

(3)

Sec 2(24)(iia)