## COMPARISON OF SEC.11, 10(23C) and 80G.

| Basis of Differences | Section 10(23C) | Section 12 AA | Section 80G |
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| applicability | Section 10 is an exemption section which means any income falling under the various sub-sections of section 10 shall not be included in the total income itself. The requirement of spending 85% of the receipts is mandatory only in clauses (iv) **to** (via). | For claiming exemption u/s 11, the institution has to first obtain registration u/s Sec.12AA. Thereafter, it has to fulfill the obligation to spend. It is desirable to obtain timely registration u/s 12AB. Further, spending of 85% of receipts is mandatory. | donation given to various funds including the funds mainly government supervised fund including fund which need registration under 80(G)(2)(iv) |
| Se.2(15)-Charity | Charity for Clause (iv) & (v),others should be "not for profit" | applicable here | Only charity, not religious |
| Character | Public.<br>For Clause (iv)-any fund/insti. Only for charity.<br>For Clause (v)-any trust or legal obligation- wholly for religious with or without charitable | Public. Wholly Charitable or religious. | same person having exception U/S.11,12,10(23C) |
| Application for registration required?<br>Registration procedure.<br><br>Form | Approval required only for (iv), (v), (v) (via).<br>Procedure: 1st & 2nd Proviso to S.10 (23C) .Rule 2C & 2CA .Same as Sec.12A**B** as per proviso.<br><br>Form : Form 56 -Rule 2CA | Registration required by all NGOs in order to claim exemption u/s 11**.** S.12A (1)(ac)<br><br>procedure : and 12AB- Rule 17A<br>Form : Form 10 A | Required to be made by all**. Rule** 11AA<br><br>Form 10 G |
| Time limit for filing of application **-same limit for all** | As per 1st proviso. Same 12A (1) ac.<br><br>But situation for amendment of object and inoperative regi. as per 11(7)is not applicable here | As per S.12A (1)ac<br>(vi*)* .For 1st time(provisional)-1 moth prior to PY of AY for which exemption sought<br>(iii*)* .For 2nd time to renew provisional regi-earlier of 6 month before expiry | 1. Sec.80G (2)ix.<br><br>Same as S.10 (23C). |

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| | | /commencement of business<br>*(ii)* .From 3rd time onward-6 month before expiry of period of last registration.<br><br>(i)regd.u/old pro-before 31.12.20<br><br>( iv)-inoperative S.11(7)- 6month before AY for which reg,is sought<br><br>(v)-30 days from amendment | |
| Time limit for passing order of registration/ approval | [9th proviso]-same as 12AB(3) | 12AB (3)<br><br>For 12A(1)ac (ii ,iii,iv,v) cases-6 moth.<br><br>For 12A(1)ac( vi)-1 month<br><br>For 12A(1)ac (i)-3 month<br><br>For Clause (a),bii and c of 12AB (1)<br><br>from the end of the month in which form uploaded | 80G(5ix) proviso-within 3,6and 1 months from date of application-same as 10(23C) |
| Exemption w.e.f. | Same. see proviso | As per S.12A (2). **From 2nd registration** *from AY it was provisionally registered* | |
| Tenure of registration | 2nd proviso-5 year(3 for provisional) | -5 year (3 for provisional) | 5 year (3 for provisional)Same as 10(23) |
| Fresh registration in case of Change in Objects of the Trust or Institution | No such requirement | S. 12A (1) ac provides for fresh registration | It has to keep registration if registered U/12AB,other cases not applicable |
| Cancellation by of | Yes.15th proviso-same reason | Yes.12AB(4) and (5) | No provision in 80G.But |

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| registration PCIT/CIT | | | automatically cancelled if deregistered in 10(23C).,12AB |
| Application of income | for U/S 10(23C) (iv) **to** (via)-same as 11(2)-85% application if not investment u/11(5)<br><br>Others-Not required to spend their income as per limits or observe the restrictions regarding Investments | Required to spend their income as per limits prescribed by section 11-85% or to observe the restrictions regarding Investments up to 5 years as prescribed under section 11[5].-Sec.11(2) | Spend only for charitable purpose. Expenditure on religious activity allowed upto 5% of total income |
| Form for the accumulation | No such requirement. Need to pass a trustees' resolution | Need to pass a trustees' resolution to accumulate the income and file a Form specifying the purpose of accumulation in Form 10-R.17(2) | NA |
| Deemed application of amount not received or any other reason | No such provision | Allowed.Exp.2 S.11(1) | NA |
| Indian | Need not exist in India but should perform/spend and approved in India. | need not register in India but should perform/spend and register U/S12AB in India.11(1)a,b | NA |
| Non corpus voluntary contribution received | Trust covered under section 10[23C][iiiab]-&[iiiac] Government;) in whose hands voluntary contribution is not a income of such trust even u/s 2(24) But to calculate grant from Govmnt all contributions are included.<br>For others its includable under income as its any income which is exempted | Such Donation is deemed as derived from property to be eligible for exception S.12(1), Expl 1(1) | NA |

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| Out of above Corpus Donation Received | Exempt as per Explanation 3rd proviso to section 10(23C) | Not an income U/S.11(1)d. | NA |
| From Un accumulated income payment to persons registered U/12AB or *10(23C)(iv)/(v)/(vi)/(vi-a) [*From FA 2020 for 10(23C)] | When such institution pay/credit out their income voluntary corpus donation, such payment is not considered as application -12th proviso. | When such institution pay/credit out their income voluntary corpus donation to trust/institution reg, u/S.12AA , such payment is not considered as application) Explanation 2.Sec.11(1)) | NA |
| From accumulated fund , payment to persons registered U/12AB or 10(23C)(iv) /(v)/(vi)/(vi-a) | Such corpus/non corpus payment is not considered as application -14th proviso.<br>No exemption | Such corpus/non corpus payment is not considered as a purpose for accumulation U/ Explanation.Sec.11(2)) and not an application- 11(3d).<br>Exemption for payment on dissolution 11(3A) | NA |
| Applicable S.115BBC anonymous donations | Yes. proviso | Yes.Se.13(7) | NA |
| Applicability of any other exemption provision U/S.10 | Same-proviso | S.10(1)only can be excluded from total income.- S.11(7).No depreciation if cost is deducted | NA |
| Carrying out of Business | Similar proviso | Exempted only if conditions stipulated u/s 11(4A) | 80G(5)iIn addition to 12,10(23C) donation received not used for business |
| Capital Gain | The language of Section 10(23C) is not clear on whether Charitable institutions approved under S.10(23C) enjoy exemption from capital gains on transfer of a capital asset. However, it may be concluded that if the words 'any income' used in Section 10(23C) | Exemption from capital gains on transfer of a capital asset, if the whole or part of the net consideration is utilised for acquiring another capital asset.11(1A) | NA |

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| | income from transfer of capital asset shall be exempt | | |
| Service to specified person | No such provision | Taxable U/S. 13(1) (c) | NA |
| 40(a) (ia),Sec.40A(3),3A | Applicable -proviso | Applicable-Explanation 3.*Sec.11(1))* | NA |
| Holding of shares | there is no restriction on the holding of the shares | the exemption under S. 11 and 12 shall not be allowed if, the trust holds shares of other than those of a public sector unit or those mentioned under Section 11(5)(xii) of the Income-tax Act, 1961. | NA |
| Appeal on rejection | Orders passed by the prescribed authority under section sub-clauses (vi) and (via) of clause (23C) of section 10 made appealable before ITAT | Lies to Appellate Tribunal | Lies to Appellate Tribunal |
| Audit and Form | Same as 12A-10th proviso- Form 10BB (Rule 16CC).[ | when total income exceeds threshold limit audit report and furnishing the same along with return of income is required(same as Sec.12A)-Form 10B (Rule 17B) | NA |
| Return | ITR 7.139(4C)3Before the due date of filing of return u/s 139[S. 1394D is for S.35(1)ii,iii)] | ITR 7.S.139(4A).Before the due date of filing of return u/s 1 | NA |
| Power to condone belated application | No | No | NA |
| Tax on accretion u/s 115TD | Not applicable | Applicable | NA |