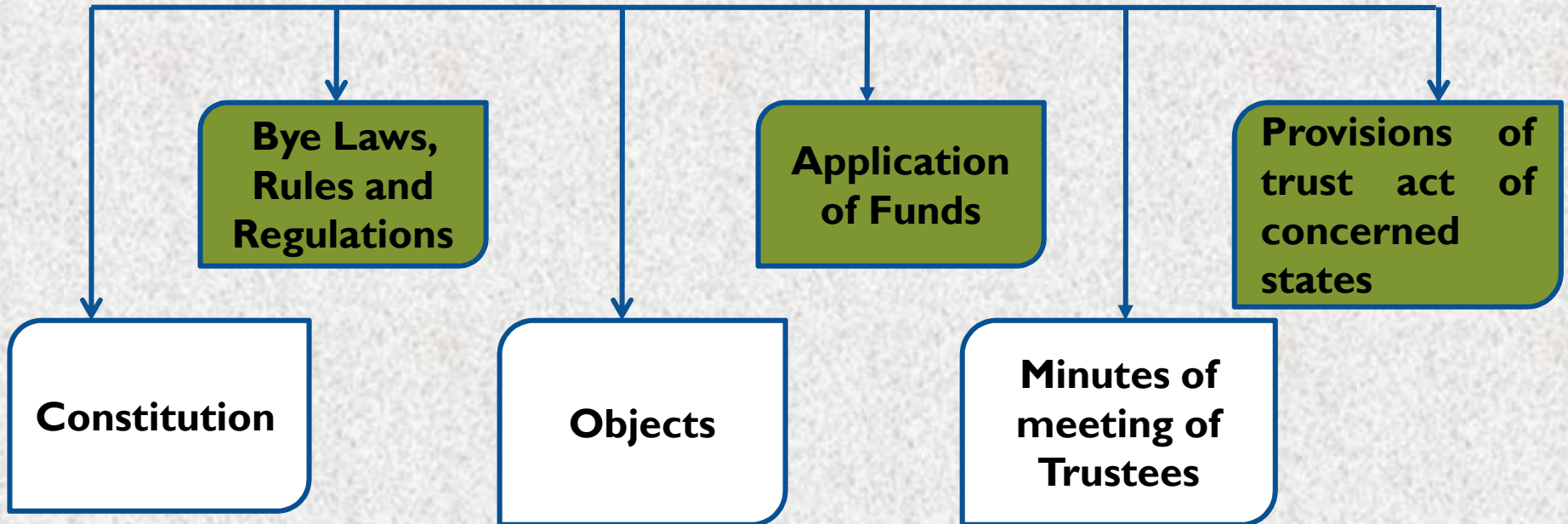


Why is Audit of Charitable & Religious Trusts Required

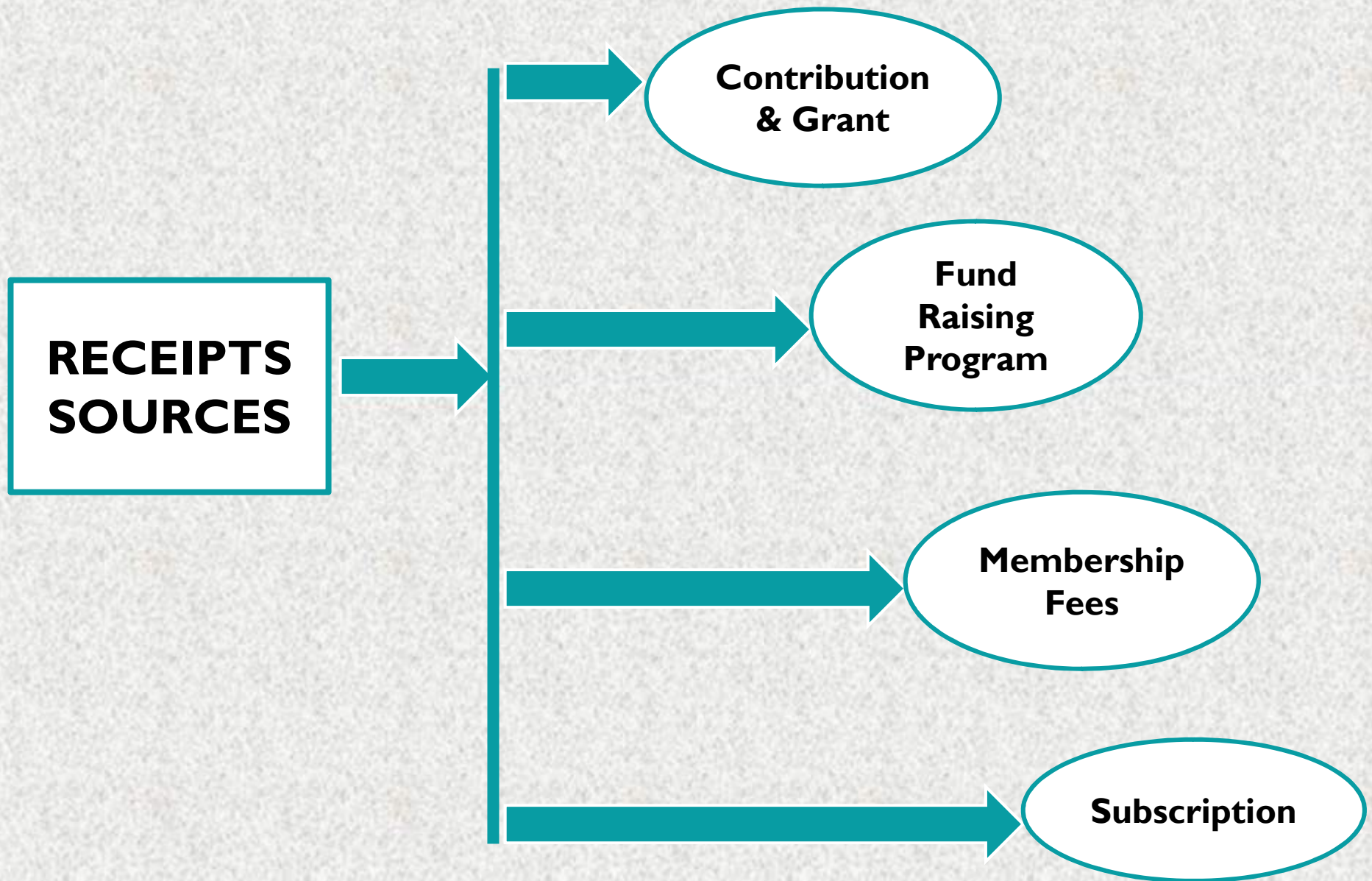
The principal aim of this audit is to enable the assessing officer to satisfy himself about the genuineness of the claim for exemption under section 11 and also whether the institution has complied with all the requirements prescribed by the statute. The accountant shall satisfy himself about compliance with the provisions of the Act by the institution in respect of maintenance of proper books of accounts, information and returns from branches and other relevant records. **The accountant has to examine the balance sheet and the profit and loss and give an opinion whether they exhibit a true and fair view.**

GENERAL POINTS

- ▶ In order to Audit a charitable or religious Trust , the auditor will have to check the following of the trust



AUDITING THE RECEIPTS



CHECK LIST FOR ROUTINE ITEMS

(i) Check Letter of Appointment and ensure scope of audit & responsibility of the auditor us clearly indicated.

(ii) See that the necessary resolutions are passed and the authority has signed letter of appointment.

(iii) Obtain previous audit report and communicate with previous auditor, if any

(iv) Obtain books of account along with list showing books maintained by trust.

(v) Obtain certified copy of balance sheet and income & expenditure for period under audit.

CHECK LIST FOR ROUTINE ITEMS –CONTD.

(vi) Obtain certified copy of balance sheet and income & expenditure account of last year, if any

(vii) Obtain Certificate about correctness of opening balances of various assets & Liab. , if any

(viii) Procure certified copy of trust deed showing objects and conditions of Trust.

(ix) Evaluate Internal Control Systems and determine extent of further checking. Also enquire about system of accounting.

(x) Obtain Annexure to form 10B & 10BB and see trustees have certified all the items.

Audit report - FORM 10 B & 10BB

Particulars	10B	10BB
Issued Under	Rule 17B Sec. 12A(b) For religious & Charitable Trust	Rule 16CC under section 10(23C)
Meaning	Audit report u/s 12A (b) of the Income Tax Act, 1961 in the case of charitable or religious trusts or institutions.	Audit report under section 10(23C) of the Income-tax Act, 1961, in the case of any fund or trust or institution or any university or other educational institution or any hospital or other medical institution

Guidance note on audit of public charitable trust

- ▶ The scope of this guidance note is restricted to the audit of the institutions prescribed under section 12A(1)(b). Such audit has been prescribed essentially to ensure compliance with the provisions of sections 11 to 13. The nature of audit required under section 12A(1)(b) is similar to that of audit of general purpose financial statements. Hence, the accountant has to adopt the same procedures of audit as prescribed under Auditing and Assurance standards - **AASs** while certifying true and fair view shown by financial statements.

Now SA's

Responsibility of an accountant

- ▶ The principal aim of this audit is to enable the Assessing Officer to satisfy himself about the genuineness of the claim for exemption under section 11 and also whether the institution has complied with all the requirements prescribed by the statute.
- ▶ The accountant has to examine the balance sheet and the profit and loss and give an opinion whether they exhibit a true and fair view.
- ▶ The accountant should note that the SA's issued by the ICAI would be applicable to the audit under section 12A(1)(b)
- ▶ As in the case of other professional assignments, the accountant should comply with the “Code of Ethics” issued by the ICAI in conducting the audit under section 12A(1)(b)

When is Audit Required

- ▶ Clause (b) of sub-section (1) of section 12A of the Act requires audit if the “total income” of the institution for the relevant year exceeds the maximum amount which is not chargeable to income tax. This means if the total income of the institution in any previous year before giving effect to the provisions of the Act is less than the maximum amount which is not chargeable to income tax, then audit under the Act is not required.
- ▶ **Question: Whether Contributions with specific direction that they shall form part of the corpus included in income mentioned above?**
- ▶ **Answer:** As per this guidance note, for determining the ceiling limit of the maximum amount which is not chargeable to income tax for the purpose of eligibility to audit under section 12A(1)(b), contributions towards the corpus of the institution are to be included. However, incomes exempt under section 10, e.g. dividends, are not to be included for ascertaining whether the income exceeds the maximum amount which is not chargeable to income tax.

When is Audit Required...

▶ Some other points

- In Computation made by the institution, the total income does not appear to exceed the limit of the maximum amount which is not chargeable to income tax. However, subsequently it may so transpire that the total income exceeds the maximum amount which is not chargeable to income tax on account of circumstances which were not known originally [e.g. accidental misapplication of the earmarked investments under section 11(2)(b)] = **In such cases the report on audit could be submitted with a revised return.**
- When state legislations relating to trusts and charitable institutions provide compulsory audit irrespective of Income = **Audit in terms of statutory provisions of relevant state act.**

When is Audit Required...

- The donations received by an institution whose income are exempt under sections 11 and 12 or clause (23) or clause (23AA) or clause (23C) of section 10 of the Act are eligible for deduction under section 80G provided the institution is approved by the Director General (exemptions)/ Commissioner of Income-tax under section **80G(5)(vi)**.
- The primary responsibility of the accountant who is required to do the audit in terms of section 12A is with reference to the provisions of the Act which is a self contained code by itself. Strictly speaking, unless there is a specific requirement in the Act itself or under any rule/form prescribed there under requiring the auditor to verify certain matters in relation to other laws, there is no duty cast upon the accountant to verify or certify about the compliance with the provisions of any other law. However, if the noncompliance with the provisions of any other law would lead to the contravention of the provisions of the Act in so far as it relates to audit under section 12A and affects the truth and fairness thereof, then alone it is the duty of the accountant to verify the compliance with the provisions of other law(s)

When is Audit Required...

- ▶ Apart from the requirements as to audit of institutions as contained in section 12A(1)(b), there are other relevant requirements like registration of such institutions. Section 12A(1)(a) deals with the conditions regarding registration of an institution under the Act. On being registered, the institution will get the benefit of exemption of its income under the provisions of section 11 provided it complies with the prescribed statutory requirements. The application for registration has to be made in Form No.10A in duplicate, which is prescribed under Rule 17A of the Rules

Accounting Standards

- ▶ In the case of an institution, AS will not apply if all activities of such institutions are not of commercial, industrial or business nature (e.g. an activity of collecting donations and giving them to flood affected people). In other words, exclusion of an institution from the applicability of the AS would be permissible only if no part of the activity of such institution is commercial, industrial or business in nature. Even if a very small portion of the activities of an institution is considered to be commercial, industrial or business in nature, then it cannot claim exemption from the application of AS.
- ▶ Further, the Government has notified ICDS w.e.f. 01.04.2015 under sub-section (2) of section 145. ICDS are applicable to all the assessees maintaining their accounts on mercantile basis, if they carry on a business.

Form 10B

- ▶ This report has to be given by an accountant who –
Is a **Chartered Accountant defined in clause (b)** of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 who holds a valid certificate of practice under sub-section (1) of section 6 of that Act, but does not include [except for the purposes of representing the assessee under sub-section (1)]
- Where any of the matters stated in the report is answered in the negative, or with a **qualification**, the report shall state the **reasons** for the same.
- The various particulars in the annexure to Form No.10B would be filled up after completion of audit, finalization and certification of income and expenditure account and balance sheet. The audited financial statements would form the primary document from which the answers to the various questions asked for in the annexure shall be given.

Form 10B

- ▶ The auditor may verify the following basic documents in order to enable him to give the various particulars required in the annexure.
 - (a) income and expenditure account,
 - (b) balance sheet,
 - (c) receipts and payments account,
 - (d) minutes book of the governing body,
 - (e) past income-tax records,
 - (f) income-tax statement computed for the current year,
 - (g) profit and loss account for the business and income tax computation statement for that business,
 - (h) copy of the trust deed/bye-laws/memorandum of articles, as the case may be.

FORM 10B (Statement of Particulars)

1. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSE

1. Amount of income of P.Y applied to charitable or religious purpose in India during that year
2. If option under clause (2) of explanation 11(1) has been exercised? If Yes, details of income deemed to be applied
3. Amount accumulated or set apart for application, to the extent it does not exceed 15% of income derived
4. Amount of income eligible for exemption u/s 11(1)(c)
5. Amount set apart (other than referred in 3) for section 11(2)
6. Whether amount mentioned in 5 has been invested or deposited in manner laid in sec 11(2)(b). Details
7. Whether any part of income in respect of which option was exercised earlier year is deemed to be income of the previous year under section 11(1B) ? If so, the details thereof

FORM 10B (Statement of Particulars)

I. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSE

8. Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier year—
- (a) has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto,
 - (b) has ceased to remain invested in any security referred to in section 11(2)(b)(i) or deposited in any account referred to in section 11(2)(b)(ii) or section 11(2)(b)(iii),
 - (c) has not been utilized for purposes for which it was accumulated or set apart during the period for which it was to be accumulated or set apart, or in the year immediately following the expiry thereof? If so, the details thereof

FORM 10B (Statement of Particulars)

ii. APPLICATION OR USE OF INCOME OR PROPERTY FOR THE BENEFIT OF PERSONS REFERRED TO IN SECTION 13(3)

1. Whether any part of the income or property was lent, or continues to be lent, in the previous year to any person referred to in section 13(3) If so, give details of the amount, rate of interest charged and the nature of security, if any
2. Whether any land, building or other property of the *trust/ institution was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charged, if any
3. Whether any payment was made to any such person during the previous year by way of salary, allowance or otherwise? If so, give details
4. Whether the services of the *trust/institution were made available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any
5. Whether any share, security or other property was purchased by or on behalf of the *trust/institution during the previous year from any such person? If so, give details thereof together with the consideration paid
6. Whether any share, security or other property was sold by or on behalf of the *trust/institution during the previous year to any such person? If so, give details thereof together with the consideration received

VERIFICATION FOR AUDIT

▶ The Accountant is required to verify:

- (a) Income as defined under section 11 and 12 of the Income-tax Act. Basically income can be classified into five broad categories viz.,
 - (i) voluntary contributions made with a specific direction that they shall form part of corpus;
 - (ii) voluntary contributions made without a specific direction that they shall form part of corpus;
 - (iii) profits and gains of business which are incidental for attaining the objects;
 - (iv) other general receipts;
 - (v) capital gains;

VERIFICATION FOR AUDIT

- (b) verify the amount actually applied during that year by culling out the figures from
 - (i) income and expenditure account;
 - (ii) balance sheet and/or receipts and payments account.

- (c) verify the donations made to another trust in terms of section 11(3)(d).

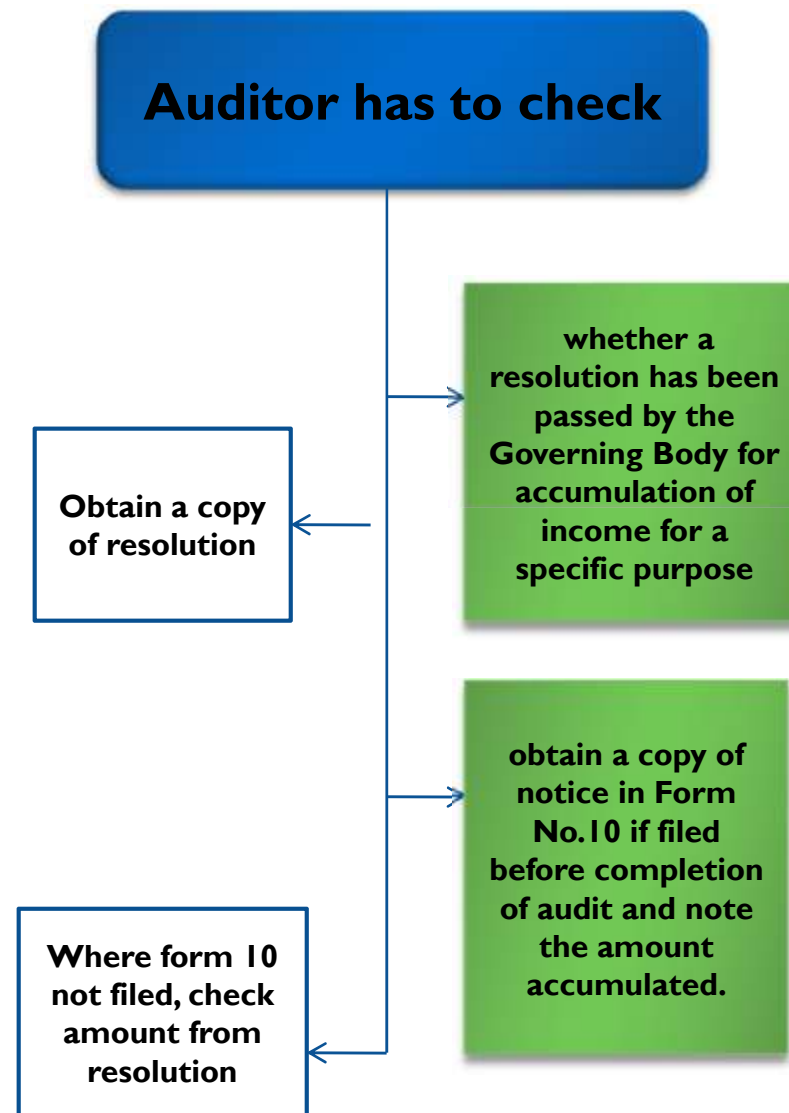
- (d) verify the valuation of services made available to specified category of persons in terms of section 12(2).

- (e) verify the anonymous donations. In this connection the particulars are yet to be prescribed by the Government. Hence, it would be advisable for the accountant to get appropriate management representation.

INCOME ACCUMULATED IN EXCESS OF LIMIT

Section 11(2) Provides that where 85% of income is not applied or is not deemed to be applied to charitable or religious purpose but is accumulated or set apart , such income shall not be included in income of the previous year provided:

- a) Such Person specifies in notice given to Assessing Officer in prescribed manner. Period shall not be more than 5 years
- a) Money is deposited in form and mode specified in sub section 5



EXPLANATIONS & ANALYSIS

Question: Can exemption be claimed if return filed after due date of return of income but before completion of assessment.?

Solution: Yes! It has been held in *Mermanjeet Trust v. CIT* 148 ITR 214 (P & H) and *Trustees of Tulsidas Gopalji Charitable Trust v. CIT* 207 ITR 368 (Bom) that if Form No.10 is filed after time limit prescribed by section 139(1) but before completion of assessment, the assessee will be entitled for exemption. Similar inference may also be drawn from the judgment of Apex Court in *CIT v. Nagpur Hotel Owners Association* 247 ITR 201 (SC).

Analysis

Sections 11(2)(a) and (b) prescribe the conditions to be observed for successful accumulation in excess of 15 per cent of the trust income. One of the conditions is that such excess percentage is to be kept invested in specified securities and/or deposits. The “manner” has been ‘prescribed’ in rule 17 which refers to Form No.10 as the form of notice. The time limit for filing Form No. 10 is the same time limit as for filing the return of income under section 139(1). This time limit is prescribed in Rule 17. Paragraph 2 of Form No.10 says that the relevant investments are to be made before the expiry of six months from the end of the previous year

EXPLANATIONS & ANALYSIS -CONTD

“Under the first proviso to section 43B, deduction is available in respect of any sum paid by the assessee on or before the due date applicable in his case for furnishing the return of income u/s 139(I). Since the due date of filing of the return would usually be subsequent to the signing of the tax audit report the tax auditor would be able to give information in respect of matters only upto the date of signing of the tax audit report. This fact should be stated under this clause by way of note as follows:

NOTE: Information given under clause 21(i) (B) is only up to and does not include any payment which the assessee may make subsequently before the due date of filing of the return of income under section 139(I).

The payment made subsequent to that date but before the date of filing of the return, will still be eligible for deduction under section 43B. Hence the tax auditor should advise the assessee to include necessary evidence of payments made after the signing of the tax audit report but before the due date of filing. This evidence may also be in the form of a certificate from a chartered accountant obtained specifically for this purpose - Circular No.601 dated 4.6.1991

INVESTMENTS & DEPOSITS IN PRESCRIBED MANNER

- ▶ The institution should be requested to prepare a **classified chart of its investments/deposits in accordance with the statutory requirements**. Depending upon the extent to which compliance has been made by the institution in this regard the accountant has to give the necessary details. Those investments/ deposits **which do not comply with the statutory requirements should be segregated and shown separately**. Further, it is significant to note that the trustee/principal officer of the institution should undertake that **before the expiry of six months** commencing from the end of each previous year, the amount so accumulated or set apart has been/will be **invested or deposited** in any one or more of the forms or modes specified in sub-section (5) of section 11. This requirement is mentioned in Form No.10

INVESTMENTS & DEPOSITS IN PRESCRIBED MANNER

ACCOUNTANT SHALL CHECK

1) Whether amount has been invested within 6 months

2) Obtain details of investments made from books and investment register

3) Check they are only in forms and modes specified in 11(5)

4) Whenever necessary, physically verify investments

5) Report Details of Investments

DEEMED INCOME U/S 11(IB)

- ▶ **Section 11(IB)** provides that where any income in respect of which an option is exercised is not applied to charitable or religious purposes in India during the period referred to subclause (a) or, as the case may be, sub-clause (b), of the said clause then such income shall be deemed to be the income of the person as provided therein.

ACCOUNTANT HAS TO CHECK:

- (a) check whether any option under the relevant section had been exercised in any of the earlier years and also obtain management representation to this effect;
- (b) **analyze** whether the option, if exercised, is towards (i) non-receipt of income or (ii) any other reason;
- (c) if the option is for non-receipt of income, check the year of receipt. For the current year, he should check whether the same had been received in the immediately preceding year and the amount, if any, applied for charitable purpose;
- (d) if the option is for any other reason, check whether the same has been applied in the current year since the option should have been exercised in the immediately preceding previous year only and
- (e) give the details of such deemed income clearly stating the particular year to which such deemed income relates.

SCHEDULE I

SCHEDULE - I

DETAILS OF AMOUNTS ACCUMULATED/ SET APART WITHIN THE MEANING OF SECTION 11(2) IN THE LAST ELEVEN YEARS VIZ., PREVIOUS YEAR RELEVANT TO THE CURRENT ASSESSMENT YEAR AND THE TEN PRECEDING ASSESSMENT YEARS :-

Year of accumulation	Amount accumulated	Whether invested in accordance with the provisions of Section 11(5)	Purpose of accumulation	Amounts applied during the year	Balance amount available for application	Amount deemed to be income within meaning of sub-section 3 of section 11

APPLICATION OR USE OF INCOME OR PROPERTY FOR BENEFIT OF PERSONS REFERRED IN 13(3)

- ▶ This part requires details of application or use of income or property for the benefit of persons referred to in section 13(3). These details are necessary because under section 13(1)(c), exemption is not available under section 11 or 12 in respect of any part of income or any property of the institution used or applied directly or indirectly for the benefit of any person referred to in sub-section (3) of section 13. As per proviso to section 13(2)(g) any application of income or property upto Rs.1000/- in favour of the specified persons would not disentitle the institution from exemption.
- ▶ **The accountant should obtain management representation in respect of persons referred to in section 13(3) on which he can rely. The CBDT has accepted this view vide Circular No.143 [L.F.No.180/74/73- IT(AI)] dated 20.8.1974**

LENDING OF INCOME OR PROPERTY

▶ Whether any part of the income or property of the trust/institution was lent, or continues to be lent, in the previous year to any person referred to in section 13(3). If so, give details of the amount, rate of interest charged and the nature of security, if any.

▶ The accountant has to analyze:

Receivables

Whether it contains
name of persons
referred 13(3)

Whether amount
is loan/ deposit

If loan/ deposit,
verify documents,
securities offered
& Return of
Income

LIST OF PERSONS AS PER SEC. 13(3)

(1) the author of the trust or the founder of the institution

(2) any person who has made a substantial contribution to the trust or institution

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

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

(5) any relative of any author, founder, person, member, trustee or manager as aforesaid;

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

PERSONS AS PER SEC. 13(3)

▶ The funds of the institution should not be invested in a concern mentioned in (f) above. Part III of the annexure requires details of investments held by the institution in such concerns during the previous year.

40. III. Investments held at any time during the previous year(s) in concerns in which persons referred to in section 13(3) have a substantial interest

S. No.	Name and address of the concern	Where the concern is a company, number and class of shares held	Nominal value of the investment	Income from the investment	Whether the amount in col. 4 exceeds 5 per cent of the capital of the concern during the previous year-say, Yes/No
1	2	3	4	5	6
Total					

Place.....

Date.....

.....

USE OF LAND, BUILDING OR OTHER PROPERTY

Whether any land, building or other property of the *trust/institution was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charged, if any

Accountant has to

Ascertain whether the assets have been made available for the use of specified persons

Check list of assets owned by the Institutions

report the details of rent or compensation charged



FOR SCHD. III ACCOUNTANT WILL

A) Obtain list of concerns in which persons referred in 13(3) have substantial interest

B) Verify the investments of the institution and ascertain whether any investments have been made in the concerns referred to in (a) above;

C) Verify the nominal value of investments

D) Get a certificate for the amount of capital of the concern and calculate the percentage of the institution's investment in that concern.

E) Verify the details of income from such investments

PAYMENT OF SALARY, ALLOWANCE ETC

▶ Whether any payment was made to any such person during the previous year by way of salary, allowance or otherwise? If so, give details

Accountant has to

**Take
MRL**

- **Get Management Representation in respect of any payment by way of salary, allowance or payments of similar nature**

Verify

- **Verify such details**

Report

- **Report the same under this clause**

SERVICES MADE AVAILABLE

- ▶ Whether the services of the *trust/ institution were made available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any

Accountant has to

**Take
MRL**

- **Get Management Representation in respect of any services made available to specified persons**

Verify

- **Verify such details**

Report

- **Report the same under this clause**

PURCHASE OF SHARES, SECURITY OR OTHER PROPERTY

- ▶ Whether any share, security or other property was purchased by or on behalf of the trust/institution during the previous year from any such person? If so, give details thereof together with the consideration paid

Accountant has to

**Take
MRL**

- **Get Management Representation in respect of any sale of shares, security or other property to any specified persons**

Verify

- **Verify such details**

Report

- **Report the same under this clause**

DIVERSION OF INCOME OR PROPERTY

- ▶ Whether any income or property of the *trust/institution was diverted during the previous year in favor of any such person? If so, give details thereof together with the amount of income or value of property so diverted
- ▶ **A decline in income of the institution as compared to the previous year may indicate the need to further examine the relevant documents**

Accountant has to

**Take
MRL**

- **Get Management Representation respect of any such diversion.**

Verify

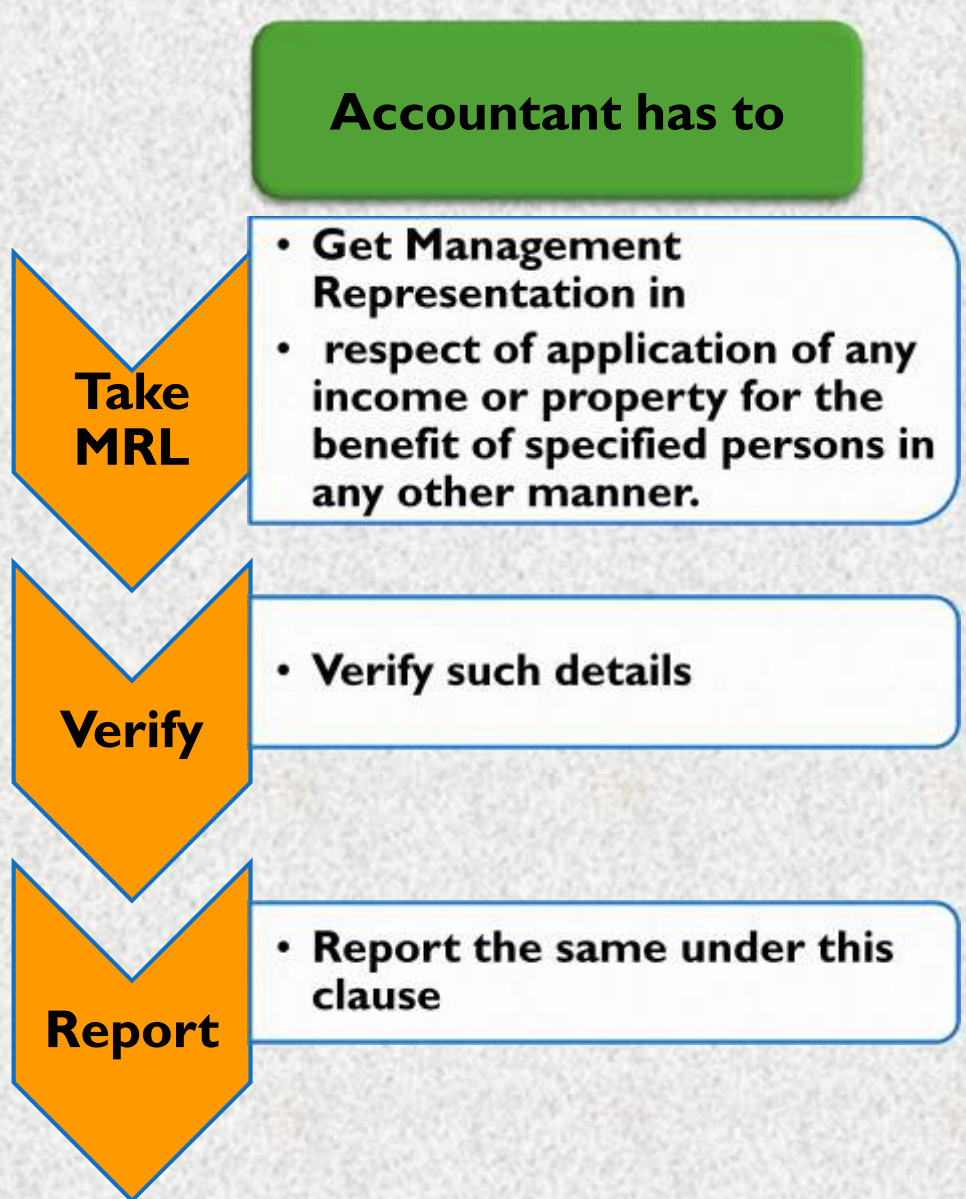
- **Verify such details**

Report

- **Report the same under this clause**

APPLICATION OF INCOME/ PROPERTY IN ANY OTHER MANNER

- ▶ Whether the income or property of the *trust/institution was used or applied during the previous year for the benefit of any such person in any other manner? If so, give details



MEDICAL OR EDUCATIONAL SERVICES

Accountant has to

Take MRL

- **Get Management Representation in**
- **respect of any medical or educational services made available to the prohibited category of persons in terms of section 12(2)**

Report

- **Report the same under this clause**

OTHER IMPORTANT POINTS

- ▶ Status of a public charitable trust is “Individual”, and it is therefore entitled to deduction under section 80L- *ADIT(E) v. Freny Savakshah Anjirbaug & Siyavaksh Rustomji Anjirbaug Charitable Trust, 60 TTJ (Mum) 91, Auroboutique Trust v. ITO, 36 TTJ (Mad) 318.*
- ▶ Section 164 does not determine status of the trust. Trustee is an individual and hence trust entitled to section 80L deduction - *CIT v. Ramesh Sanjay Trust, 231 ITR 752 (Mad).* The Bombay High Court has confirmed this view in the case of *Director of Income-tax (Exemptions) Vs. Shardaben Bhagubhai Mafatlal Public Charitable Trust and others. 247 ITR 1.*

OTHER IMPORTANT POINTS

- ▶ It is possible for a charitable trust to adjust the expenditure incurred in an earlier year against the subsequent year's income and treat it as application of income for the objects of the Trust. Refer to **Govindu Nayakar Estate v. ADIT, 248 ITR 368 (Mad); CIT v. Matriseva Trust, 242 ITR 20 (Mad); CIT v. Maharana of Mewar Charitable Foundation, 164 ITR 439 (Raj); CIT v. Shri Plot Wetamber Murti Pujak Jain Mandal; 211 ITR 293 (Guj)**. However, it is possible to take a view that such a claim may not be valid unless there is a deficit in the Income and Expenditure account as shown in the opening Balance Sheet. In other words, in order to sustain a claim that income of a year adjusted against the deficit of an earlier year should be treated as applicable, the deficit of the earlier year should not only have been in the Income and Expenditure Account of that year but should also be carried forward in the Balance Sheet.
- ▶ Investment in a fixed deposit with a public sector company or scheduled bank account is acquisition of new **asset-CIT v. East India Charitable Trust (1994) 206 ITR 152/73 Taxman 380 (Cal), DIT (Exemp) in DLF Qutub Enclave Complex Medical Charitable Trust (2001) 115 Taxmann 520 (Del.)**.

Instruction for filing Form No. I 0B

1. All amounts are in Indian Rupees.
2. A calendar is provided for selecting the date field (format DD/MM/YYYY).
3. All greyed out fields are either auto-filled or non-editable.
4. It is a good practice to save your work frequently. Please use SAVE DRAFT option.
5. In Forms wherever information is captured in tables
 - a) Adding new Row: Click on ADD ROW button, fill in the data.
 - b) Deleting Row: Select the row to delete from the list and click DELETE ROW button.
6. Please enter only the value wherever the information is needed in percentile.
7. Please verify the Form, before you submit.

Notes

- 1 This report must be obtained by an assessee (trust or institution) only if the total income of the trust or institution as computed under the Act (without giving effect to the provisions of sections 11 and 12 of the Act) exceeds maximum amount which is not chargeable to income-tax in any previous year, and the assessee desires to claim exemption under sections 11 and 12 of the Act.
- 2 The Report must be filled up by a chartered accountant, and the assessee must ensure that, in respect of matters for which the chartered accountant has answered in the negative or with a qualification, the chartered accountant has recorded reasons.
- 3 For purposes of filing up Part II of the Annexure, auditor can accept as correct the list of persons covered by section 13(3) as given by the managing trustees. (Circular no.143, dated 20-08-1997 - see Master Guide to Income-Tax Rules).
- 4 This report has to be given by-
 - (i) a chartered accountant within the meaning of the Chartered Accountants Act, 1949 (38 of 1949); or

Form No. 10B

[See rule 17B]

Audit report under section 12A(b) of the Income-tax Act, 1961, in the case of charitable or religious trusts or institutions

* Select have examined the balance sheet of *
 * PAN (name and PAN of the trust or institution) as at * and the Profit and loss account of the year ended on that date which are in agreement with the books of account maintained by the said trust or institution have obtained all the information and explanations which to the best of knowledge and belief were necessary for the purposes of the audit. In opinion, proper books of account have been kept by the head office and the branches of the above named * Select visited by so far as appears from examination of the books, and proper Returns adequate for the purposes of audit have been received from branches not visited by subject to the comments given below:

In opinion and to the best of information, and according to information given to 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 as at * and

(ii) in the case of the profit and loss account, of the profit or loss of its accounting year ending on *

The prescribed particulars are annexed hereto.

	Name :*	<input type="text"/>
	Address:*	<input type="text" value="Address"/>
Place:*	Membership No. :*	<input type="text"/>
Date:*	HRN (Firm Registration Number):	<input type="text"/>

Annexure-I

STATEMENT OF PARTICULARS

I. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSES

1 Amount of income of the previous year applied to charitable or religious purposes in India during that year*

2 Whether the has exercised the option under clause (2) of the Explanation to section 11(1)?*

If so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous year

3 Amount of income - for application to charitable or religious purposes, to the extent it does not exceed 15 per cent of the income derived from property held under trust * only for such purposes.*

4 Amount of income eligible for exemption under section 11(1)(c)*

If so, give details

S.No.		Details	Amount
1	<input type="text"/>	<input type="text"/>	<input type="text"/>

5 Amount of income, in addition to the amount referred to in item 3 above, accumulated or set apart for specified purposes under section 11(2) *

6 Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2)(b) ? *

If so, the details thereof


7 Whether any part of the income in respect of which an option was exercised under clause (2) of the Explanation to section 11(1) in any earlier year is deemed to be income of the previous year under section 11(1B)?*

If so, the details thereof

8 Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier year-

(a) has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or*

(b) has ceased to remain invested in any security referred to in section 11(2)(b)(i) or deposited in any account referred to in section 11(2)(b)(ii) or section 11(2)(b)(iii), or*

Select 

(c) has not been utilised for purposes for which it was accumulated or set apart during the period for which it was to be accumulated or set apart, or in the year immediately following the expiry thereof?*

Select 

if so, the details thereof

Annexure-II

II. APPLICATION OR USE OF INCOME OR PROPERTY FOR THE BENEFIT OF PERSONS REFERRED TO IN SECTION 13(3)

- 1 Whether any part of the income or property of the was lent, or continues to be lent, in the previous year to any person referred to in section 13(3) (hereinafter referred to in this Annexure as such person)?*

Select

If so, give details of the amount, rate of interest charged and the nature of security, if any.

S.No.	Details	Amount	Rate of interest charged	Nature of security, if any.
1 <input type="button" value="v"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="button" value="+ Add"/> <input type="button" value="X Delete"/>				


- 2 Whether any part of the income or property of the was made, or continued to be made, available for the use of any such person during the previous year?*

Select

If so, give details of the property and the amount of rent or compensation charged, if any.

S.No.	Details of property	Amount of rent or compensation charged
1 <input type="button" value="v"/>	<input type="text"/>	<input type="text"/>
<input type="button" value="+ Add"/> <input type="button" value="X Delete"/>		


3 Whether any payment was made to any such person during the previous year by way of salary, allowance or otherwise?*

Select 

If so, give details

S.No.	Details	Amount
1 <input type="checkbox"/>	<input type="text"/>	<input type="text"/>
<input type="button" value="+ Add"/> <input type="button" value="X Delete"/>		

4 Whether the services of the were made available to any such person during previous year?*

Select 

If so, give details thereof together with remuneration or compensation received, if any

S.No.	Details	Amount of Remuneration/ Compensation
1 <input type="checkbox"/>	<input type="text"/>	<input type="text"/>
<input type="button" value="+ Add"/> <input type="button" value="X Delete"/>		

5 Whether any share, security or other property was purchased by or on behalf of the during the previous year from any such person? Select ▼

If so, give details thereof together with the consideration paid


S.No.	Details	Amount of Consideration paid
1 <input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="button" value="+ Add"/> <input type="button" value="X Delete"/>		

6 Whether any share, security or other property was sold by or on behalf of the during the previous year to any such person? Select ▼

If so, give details thereof together with the consideration received

S.No.	Details of property	Amount of Consideration received
1 <input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="button" value="+ Add"/> <input type="button" value="X Delete"/>		


7 Whether any income or property of the was diverted during the previous year in favour of any such person?*

Select 

If so, give details thereof together with the amount of income or value of property so diverted

S.No.		Details	Income or value of property diverted
1	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="button" value="+ Add"/> <input type="button" value="X Delete"/>			

8 Whether the income or property of the was used or applied during the previous year for the benefit of any such person in any other manner?*

Select 

If so, give details

S.No.		Details	Amount
1	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="button" value="+ Add"/> <input type="button" value="X Delete"/>			

Annexure-III

III. INVESTMENTS HELD AT ANY TIME DURING THE PREVIOUS YEAR(S) IN CONCERNS IN WHICH PERSONS REFERRED TO IN SECTION 13(3) HAVE A SUBSTANTIAL INTEREST

S.No.	Name and address of the concern	Where the concern is a company, number and class of shares held	Nominal value of the investment	Income from the investment	Whether the amount in col. 4 exceeded 5 percent of the capital of the concern during the previous year-say, Yes/No
(1)	(2)	(3)	(4)	(5)	(6)
1	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>	Select
Total			<input style="width: 50%;" type="text" value="0"/>	<input style="width: 50%;" type="text" value="0"/>	
<input style="margin-right: 10px;" type="button" value="+ Add"/> <input type="button" value="X Delete"/>					

	Name : *	<input style="width: 95%;" type="text"/>
	Address : *	<div style="border: 1px solid black; height: 80px; padding: 5px;">Address</div>
Place : *	<input style="width: 95%;" type="text"/>	Membership No. : *
Date : *	<input style="width: 95%;" type="text"/>	FRN (-firm Registration Number):
		<input style="width: 95%;" type="text"/>

Instruction for filing Form No. I0BB

Instructions

General Instructions:

1. All amounts are in Indian Rupees.
2. A calendar is provided for selecting the date field (format DD/MM/YYYY).
3. All greyed out fields are either auto-filled or non-editable.
4. It is a good practice to save your work frequently. Please use SAVE DRAFT option.
5. In Forms wherever information is captured in tables
 - a) Adding new Row: Click on ADD ROW button, fill in the data.
 - b) Deleting Row: Select the row to delete from the list and click DELETE ROW button.
6. Please enter only the value wherever the information is needed in percentile.
7. Please verify the Form, before you submit.

Notes	
Notes:	
1.	This Form is relevant for the following entities with effect from the assessment year 2006-07, only in cases where the total income of the entity for the relevant previous year (without giving effect to the exemption allowable under the provisions referred to against such entity) has exceeded the maximum amount which is not chargeable to income-tax
	(a) Notified funds or institutions established for charitable purposes, referred to in section 10(23C)(iv).
	(b) Notified trusts to institutions wholly for public religious purposes or wholly for public religious and charitable purposes, referred to in section 10(23C)(v)
	(c) Universities or other educational institutions (other than those wholly or substantially financed by the Government or those having aggregate annual receipts not exceeding Rs. 1 crore) referred to in section 10(23C)(vi).
	(d) Hospital or other medical institutions (other than those wholly or substantially financed by the Government or those having aggregate annual receipts not exceeding Rs. 1 crore). Referred to in section 10(23C) (via).
2	This item is not applicable to any anonymous donation received by
	(a) any trust or institution created or established wholly for religious purposes.
	(b) any trust or institution created or established wholly for religious and charitable purposes other than any anonymous donation made with a specific direction that such donation is for any university or other educational institution or any hospital or other medical institution run by such trust or institution.
3	This item is applicable for assessment year 2007-08 and subsequent assessment years.
4	These entities must obtain a report from a Chartered Accountant in this Form. Earlier, they were required to furnish the same with their return of income.
5	This report has to be given by-
	(i) a chartered accountant within the meaning of the Chartered Accountants Act, 1949 (38 of 1949), or
	(ii) any person who, in relation to any State, is, by virtue of the provisions of sub section (2) of section 226 of the Companies Act, 1956 (1 of 1956), entitled to be appointed to act as an auditor of the companies registered in that State.
6	Where any of the matters stated in this report is answered in the negative, or with a qualification, the report shall state the reasons for the same.

Form No. 10BB

FORM 10BB

[See rule 16CC]

Audit report under section 10(23C) of the Income-tax Act, 1961, in the case of any fund or trust or institution 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 section 10(23C).

(i) *Select have examined the balance sheet as at * DD/MM/YYYY , and the Income and Expenditure or Profit and Loss Account for the year ended on that

date attached herewith of *Name *PAN (name and PAN of fund or

trust or institution or any university or other educational institution or any hospital or other medical institution)

(ii) certify that the Balance Sheet and the Income and Expenditure Account or Profit and Loss Account are in agreement with the books of account

maintained by the head office at *Head Office and *Branch Office branches.

(ii) Subject to comments below

(a) have obtained all the information and explanations which to the best of knowledge and belief were necessary

for the purpose of the audit

(b) In opinion, proper books of account have been kept by the head office and branches of the above-named fund, or trust, or institution or any

university or other educational institution or any hospital or other medical institution so far as appears from examination of the books of account

(c) in opinion and to the best of information and according to the information given to me/us the said accounts read with notes

thereon, if any, give a true and fair view -

(1) In the case of the Balance Sheet, of the state of affairs of the above-named fund, or trust, or institution or any university or other educational institution or any hospital or other medical institution as at

DD/MM/YYYY and

(2) In the case of Income and Expenditure Account or Profit and Loss Account, surplus or deficit or profit or loss for the year ended on that date.

Where any of the matters stated in this report is answered in the negative, or with a qualification, the report shall state the reasons for the same

		Name :*	<input type="text"/>
		Address:*	<input type="text" value="Address"/>
Place:*	<input type="text"/>	Membership No.:*	<input type="text"/>
Date:*	<input type="text"/>	FRN (Firm Registration Number):	<input type="text"/>

Annexure- Part A

STATEMENT OF PARTICULARS

PART A-GENERAL

1. Name of the fund or trust or institution or any university or other educational institution or any hospital or other medical institution

2. Address

Flat/ Door/ Block No.*

Name of Premise/ Building/ Village

Road/ Street/ Post Office

Area/ Locality*

Town/ City / District*

State*

Pincode*

3. Permanent Account Number

4. Assessment Year*




5. Sub-clause of section 10(23C) under which the fund or trust or institution or any university or other educational institution or any hospital or other medical institution is seeking exemption.*

6. Number and date of notification/approval of the fund or trust or institution or any university or other educational institution or any hospital or other medical institution.

S.No.		Number of notification /approval	Date of notification/approval
1	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="button" value="+ Add"/> <input type="button" value="X Delete"/>			

Part B


PART B - APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS OR EDUCATIONAL OR PHILANTHROPIC PURPOSES

7.	Nature of charitable/ religious/ educational/ philanthropic activity (as referred to in sub-clauses (iv),(v),(vi) or (via) of section 10(23C))*	<input type="text"/>
8.	Total income of the previous year of the fund or trust or institution or any university or other educational institution or any hospital or other medical institution *	<input type="text"/>
9.	Amount of income of the previous year applied during the year wholly and exclusively to the objects for which it is established *	<input type="text"/>
10.	Amount of income of the previous year accumulated for application, wholly and exclusively, to the objects for which it is established, to the extent it does not exceed 15% of income of that year. *	<input type="text"/>
11.	Amount of income, exceeding 15% of income of the year, accumulated in accordance with clause (a) of the third proviso to section 10(23C). *	<input type="text"/>
12.	(a) Whether, during the previous year, any part of the income, not exceeding 15% of income accumulated in any earlier year, was applied for purposes other than to the objects for which it is established or has ceased to be accumulated for application thereto?*	Select 
	(b) If the answer to (a) above is 'yes', then give details of income so applied or ceased to be so accumulated.	<input type="text"/>
13.	(a) Whether, during the previous year, any part of the income of any earlier year, exceeding 15% of the income, that was accumulated in accordance with clause (a) of the third proviso to section 10(23C) in that year, was applied for purposes other than to the objects for which it is established or has ceased to be accumulated for application thereto?*	Select 
	(b) If the answer to (a) above is 'yes', then give details of income so applied or ceased to be so accumulated.	<input type="text"/>
14.	(a) Whether, during the previous year, any part of the income of any earlier year, exceeding 15% of the income, that was accumulated in accordance with clause (a) of the third proviso to section 10(23C) in that year, was not utilised for purposes for which it was accumulated during the period for which it was to be accumulated?*	Select 
	(b) If the answer to (a) above is 'yes', then give details thereof, together with amount of income not so utilised.	<input type="text"/>

Part C

PART C - OTHER INFORMATION

15 (a) Whether any funds, other than the assets or voluntary contributions referred to in clause (b) of the third proviso to section 10(23C), were invested or deposited for any period during the previous year, otherwise than in the forms and modes specified in sub-section (5) of section 11. *

Select 

(b) If the answer to (a) above is 'Yes' then give the details as under:

S.No		Nature of investment or deposit	Amount invested or deposited	Period of investment or deposit
1	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

16 In relation to any income being profits and gains of business,

(a) whether the business was incidental to the attainment of the objectives of the fund or trust or institution or university or other educational institution or hospital or other medical institution? *


Select 

(b) whether separate books of account were maintained in respect of such business? *

Select 


(c) if the answer to (a) and/or (b) above is 'no', then state the amount of such income.

17 (a) whether during the previous year, any part of the accumulated income was paid or credited to any trust or institution registered under section 12AA or to any fund or trust or institution 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? *

Select 


(b) If the answer to (a) above is 'yes', then give details thereof, together with amount of income so paid or credited.

18 (a) Whether any voluntary contribution, other than voluntary contribution in cash or voluntary contribution of the nature referred to in clause (b) of the third proviso to section 10(23C), was held during the previous year, otherwise than in any of the forms or modes specified in sub-section (5) of section 11, after the expiry of one year from the end of the previous year in which such voluntary contribution was received? *

Select 

(b) If the answer to (a) above is 'yes', then give details thereof, including the amount of such voluntary contribution.

19 (a) whether any anonymous donation referred to in section 115B(9C) was received during the year? (See notes 2 & 3)*

Select 

(b) If the answer to (a) above is 'yes', then state the amount of such anonymous donation.

The prescribed particulars are annexed herewith:

Place*	<input type="text"/>	Name*	<input type="text"/>
Date*	<input type="text" value="DD/MM/YYYY"/>	Membership No.*	<input type="text"/>
		TRN (Firm Registration Number):	<input type="text"/>
		Address*	<input type="text"/>