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आयकर केन्द्र

CENTRALIZED PROCESSING CENTER  
INCOME TAX DEPARTMENT

# ITR-7

# GUIDANCE NOTE



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INCOME TAX DEPARTMENT

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- 2 Section-wise applicable schedules in ITR 7
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- 5 FAQs on ITR 7 filing
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Circular 18/2017 dated: 29.05.2017 of the CBDT

Circular 7/2018 dated: 20.12.2018 of the CBDT

Circular 10/2019 dated: 22.05.2019 of the CBDT

Circular 28/2019 dated: 27.09.2019 of the CBDT

Circular 2/2020 dated: 03/01/2020 of the CBDT

Circular 3/2020 dated: 03/01/2020 of the CBDT

Circular 6/2020 dated: 19/02/2020 of the CBDT

Circular 19/2020 dated: 03/11/2020 of the CBDT



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# Guidance for Filing ITR-7 for AY 2020-21

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## Section 11

- Registration Details **u/s 12A/12AA** should be filled in Schedule Part-A General
  - 'Return furnished section' should be selected as **139(4A)** and 'Section under which exemption claimed' should be select as **section 11** in Schedule Part-A General.
  - Income should be disclosed in **Schedule-AI** and/or **Schedule-VC**
  - Application of Income- Revenue expenditure should be disclosed in **Schedule-ER**
-

## Section 11

- Application of Income- Capital expenditure should be disclosed in **Schedule-EC**.
- Exemption **u/s 11(1A)** claimed in Schedule EC will be allowed to the extent of **net consideration** disclosed in the **Schedule-AI**.
- If the total income of the trust or institution without giving effect to the provisions of section 11 and section 12 exceeds the **maximum amount** which is not chargeable to income-tax, audit report in **Form 10B** has to be filled **one month** prior to the due date specified u/s 139(1) as per Section 44AB.

## Section 11

- If exemption under explanation **11(1)**-Deemed Application is claimed - **Form 9A** should be filed within the due date specified u/s **139(1)**.
- If exemption under section **11(2)**- for Accumulation is claimed - **Form 10 and Return** of Income should be filed within the Due Date specified u/s **139(1)**.
- If there is any change in the Objects/activities during the year, assessee has to make an application for fresh registration **within 30 days** as per section 12A(1)(ab). This information needs to be provided in Schedule **Part A General(2)**

## Section 11

- If purpose of the trust is advancement of any other object of General Public utility, then the total receipts and Percentage of this activity should be mentioned in Schedule Part A General (2).
- However if the percentage of receipts of such activities **exceed 20%** of total receipts of the trust/Institution then exemption u/s 11 is not allowable (As per section 13(8)).

## Exemption u/s 10(23C)(iv/v/vi/via)

- Approval Details **u/s 10(23C)(iv/v/vi/via)** should be filled in Schedule Part A General.
- 'Return furnished section' should be selected as **139(4C)** and 'Section under which exemption claimed' should be selected as section **10(23C)(iv/v/vi/via)** in Schedule Part A General.
- Income should be disclosed in **Schedule AI** and/or **Schedule VC**.
- Application of Income- Revenue expenditure should be disclosed in **Schedule ER**

## **Exemption u/s 10(23C)(iv/v/vi/via)**

- Application of Income- Capital expenditure should be disclosed in **Schedule EC**.
- If the total income of the trust or institution without giving effect to the provisions of section 10(23C)(iv/v/vi/via) exceeds the **maximum amount** which is not chargeable to income-tax, audit report in **Form 10BB** to be filled **one month** prior to the due date specified u/s **139(1)** as per Section 44AB.

## **Exemption u/s 10(23C)(iv/v/vi/via)**

- If exemption claimed under section 11(2), amount of Accumulation should be filled in **Schedule-I**.
- If assessee is approved u/s **10(23C)(iv or v)** and purpose of the trust is advancement of any other object of General Public utility, then the total receipts and Percentage of such activities should be mentioned in Schedule Part-A General(2). However if the percentage of receipts of such activities **exceed 20%** of total receipts of the trust/Institution then exemption u/s 10(23C)(iv or v) is not allowable.

## Exemption u/s 10(21)

- **For Research Association – Approved u/s 35**
- Registration Details u/s 35 should be filled in Schedule Part-A General.
- ‘Return furnished section’ should be selected as 139(4C)/(4D) and ‘Section under which exemption claimed’ should be selected as section 10(21)/ 10(21) read with section 35 in Schedule Part-A General.
- Receipts should be disclosed in Schedule-IE1 and/or Schedule-VC
- Exemption amount should be entered in SI.No.8(a) of Schedule Part BTI.

## Exemption u/s 10(23AAA)

- **For Fund established for welfare of employees**
- Registration Details u/s 10(23AAA) should be filled in Schedule Part-A General.
- ‘Return furnished section’ should be selected as 139(4C) and Section under which exemption claimed should be selected as section 10(23AAA) in Schedule Part-A General.
- Receipts should be disclosed in Schedule-IE1 and/or Schedule-VC.
- Exemption amount should be entered in SI.no. 8(d) of Schedule Part-BTI.



## **Exemption u/s 10(23A)**

- **For Profession of Law, Medicine, Engineering, etc. as Specified by Central Govt.**
- 'Return furnished section' should be selected as **139(4C)** in Schedule Part-A General.
- 'Section under which exemption claimed' should be selected as section **10(23A)** in Schedule Part-A General.
- Receipts should be disclosed in **Schedule-IE2** and/or **Schedule-VC**.
- Exemption is **not allowable** on HP income, interest and dividend income.
- Exemption amount should be entered in **Sl.No. 8(c)** of Schedule Part-BTI.

## **Exemption u/s 10(24)**

- **For Trade Unions**
- 'Return furnished section' should be selected as **139(4C)** in Schedule Part-A General.
- 'Section under which exemption claimed' should be selected as section **10(24)** in Schedule Part-A General.
- Receipts should be disclosed in **Schedule-IE2** and/or **Schedule-VC**.
- Exemption is **not allowable** on BP income and CG income.
- Exemption amount should be entered in **Sl.No.9(h)** of Schedule BTI.

## Exemption u/s 10(23C)(iiiab)/(iiiac)

- 'Return furnished section' should be selected as **139(4C)** in Schedule Part-A General.
  - 'Section under which exemption claimed' should be selected as section **10(23C)(iiiab)/(iiiac)** in Schedule Part-A General.
  - **Objective** of the institution should be mentioned as **Education** for 10(23C)(iiiab) and as **Medical** for 10(23C)(iiiac).
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## Exemption u/s 10(23C)(iiiab)/(iiiac)

- Receipts should be disclosed in **Schedule-IE3** and/or **Schedule-VC**.
  - Grants received from Government should be disclosed in **Schedule-VC / Schedule-IE3**.
  - As per Rule 2BBB, exemption is allowed only if **Government grants** of such university or other educational institution, hospital **exceed 50%** of the total receipts including any voluntary contributions.
  - Exemption amount should be entered in **Sl.No.9** of Schedule Part-BTI.
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### **Exemption u/s 10(23C)(iiiad)/(iiiiae)**

- 'Return furnished section' should be selected as **139(4C)** in Schedule Part-A General.
- 'Section under which exemption claimed' should be selected as section **10(23C)(iiiad)/(iiiiae)** in Schedule Part-A General.
- **Objective** of the institution should be mentioned as **Education** for 10(23C)(iiiad) and as **Medical** for 10(23C)(iiiiae).



### **Exemption u/s 10(23C)(iiiad) / (iiiiae)**

- Receipts should be disclosed in **Schedule-IE4** and/or **Schedule-VC**.
- As per Rule 2BC, exemption is allowable only if the annual receipts of such university or other educational institution, hospital does not exceed Rs.1 Crore.
- Exemption amount should be entered in the **Part-BTI SI.No.9**.

**Exemption u/s 10(22B), 10(23B), 10(23D), 10(23DA), 10(23EC), 10(23ED), 10(23EE), 10(29A), 10(46), 10(47)**

- 'Return furnished section' should be selected as **139(4C)** in Schedule Part-A General.
  - 'Section under which exemption claimed' should be selected as **10(22B), 10(23B), 10(23D), 10(23DA), 10(23EC), 10(23ED), 10(23EE), 10(29A), 10(46), 10(47)** in Schedule Part-A General.
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**Exemption u/s 10(22B), 10(23B), 10(23D), 10(23DA), 10(23EC), 10(23ED), 10(23EE), 10(29A), 10(46), 10(47)**

- Receipts should be disclosed in **Schedule-IE1** and/or **Schedule-VC**.
  - Exemption amount should be entered in **Sl. Nos.8 or 9, as applicable**, of Schedule Part-BTI.
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## Exemption under other clauses of section 10



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- 'Return furnished section' should be selected as **Others** in Schedule Part-A General.
- 'Section under which exemption claimed' should be selected as section 10(20), 10(23AA), 10(23AAB), 10(23BB), 10(23BBA), 10(23BBC), 10(23BBE), 10(23BBG), 10(23BBH), 10(23C)(i), 10(23C)(ii), 10(23C)(iii), 10(23C)(iiia), 10(23C)(iiiaa), 10(23C)(iiiiaaa), 10(23C)(iiiiaaaa) 10(25)(i), 10(25)(ii), 10(25)(iii), 10(25)(iv), 10(25)(v), 10(25A), 10(26AAB), 10(26B), 10(26BB), 10(26BBB), 10(44) in Schedule Part-A General.
- Receipts should be disclosed in **Schedule-IE1** and/or **Schedule-VC**.
- Exemption amount should be entered in the respective field of Schedule Part BTI (**Part BTI Sl.No. (10)**)
- **Refer Boards Circular 18/2017 for TDS credit where income is unconditionally exempt u/s 10 (Eg. Approved Provident Fund, Approved Gratuity fund.**

## Exemption u/s 13A



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- **For Political Parties**
- 'Return furnished section' should be selected as **139(4B)** in Schedule Part-A General.
- 'Section under which exemption claimed' should be selected as **section 13A** in Schedule Part-A General.
- Income should be mentioned under all heads of income and Schedule-VC
- Exemption is **not allowable** on BP income.
- **Return of income** should be filled within the due date specified u/s **139(1)**.
- **Schedule-LA** should be filled and all conditions mentioned in section 13A should be fulfilled.
- Exemption amount should be entered in **Sl.No.12a** of Schedule Part BTI.

## Exemption u/s 13B

### • For Electrol Trusts

- Registration Details **u/s 13B** should be filled in Schedule Part-A General.
- 'Return furnished section' should be selected as **139(4B)** and 'Section under which exemption claimed' should be selected as **section 13B** in Schedule Part-A General.
- Exemption is **allowable** on Voluntary Contribution.
- **Schedule-ET** should be filled and all conditions mentioned in section 13B read with Rule 17CA should be fulfilled.
- Exemption amount should be entered in **Sl.No.12b** of Schedule Part-BT1.

## Other important points...

- For **AY 2020-21** onwards : Audit report to be filed **one month** before the due date to file the return u/s139(1).
- For **AY 2021-22** : Compliance to FCRA provisions – foreign donations received.

## Section wise - Applicable Schedules

### ITR 7 AY 2020-21

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### Section 11 or 10(23C)(iv to via)

- Income should be disclosed in **Schedule-AI** and/or **Schedule-VC**
  - Application of Income- **Revenue expenditure** should be disclosed in **Schedule-ER**
  - Application of Income- **Capital expenditure** should be disclosed in **Schedule-EC**
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## Exemption u/s 10(23A)

- Receipts should be disclosed in **Schedule-IE2** and/or **Schedule-VC**.
  - Exemption is **not allowable** on **HP income, interest and dividend income**.
  - Exemption amount should be entered in **Sl.No.8(c)** of Schedule Part-BTI.
- 

## Exemption u/s 10(24)

- Receipts should be disclosed in **Schedule-IE2** and/or **Schedule-VC**.
  - Exemption is **not allowable** on **BP income and CG income**.
  - Exemption amount should be entered in **Sl.No.9(h)** of Schedule Part-BTI.
-



### **Exemption u/s 10(23C)(iiiab)/(iiiac)**

- Objective of the institution should be mentioned as **Education** for 10(23C)(iiiab) and as **Medical** for 10(23C)(iiiac) in **Schedule-IE3**.
- Gross receipts including Government grants should be disclosed in **Schedule-IE3** and/or **Schedule-VC**.
- Exemption amount should be entered in **Sl.No.9** of Schedule Part BTI.

### **Exemption u/s 10(23C)(iiiad)/(iiiiae)**

- Objective of the institution should be mentioned as **Education** for 10(23C)(iiiad) and as **Medical** for 10(23C)(iiiiae) in **Schedule-IE4**.
- Receipts should be disclosed in **Schedule IE4** and/or **Schedule-VC**.
- Exemption amount should be entered in **Sl.No.9** of Schedule Part-BTI.

## **Exemption u/s 10(22B), 10(23B), 10(23D), 10(23DA), 10(23EC), 10(23ED), 10(23EE), 10(29A), 10(46), 10(47) and Other clauses of Sec 10**

- Receipts should be disclosed in **Schedule-IE1** and/or **Schedule-VC**.
- Exemption amount should be entered in **Sl.No.8** of Schedule Part-BTI

## **Exemption u/s 13A**

- Income should be mentioned under all heads of income and **Schedule-VC**.
- Exemption is **not allowable** on **BP income**.
- **Schedule-LA** should be filled and all conditions mentioned in section 13A should be fulfilled.
- Exemption amount should be entered in **Sl.No.12a** of Schedule Part-BTI.

## Exemption u/s 13B

- Total Contribution should be disclosed in **Schedule-VC**.
  - Exemption is **allowable** on Voluntary Contribution.
  - **Schedule-ET** should be filled and all conditions mentioned in section 13B read with Rule 17CA should be fulfilled.
  - Exemption amount should be entered in **Sl.No.12b** of Schedule Part-BTI.
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# COMMON MISTAKES MADE IN FILING ITR-7

## Common Mistakes

- Assessees are claiming exemption **without** entering the registration / approval details in Schedule "Part-A General".

4.Application of income for charitable or religious purposes or for the stated objects of the trust/institution			
4i.Amount applied during the previous year - Revenue Account [Excluding application from borrowed fund, deemed application, previous year accumulation upto 15% etc, i.e not from the income of prev year] [A16 + B10- E2-E3-E4-E5 from Schedule ER]	2,28,05,013	0	-2,28,05,013
4ii.Amount applied during the previous year - Capital Account [Excluding application from Borrowed Funds, deemed application, previous year accumulation upto 15% etc, i.e not from income of the prev year] [5 - A2-A3-A4-A5 of Schedule EC]	0	0	0

Details of registration or approval under Income Tax Act (Mandatory if required to be registered)					
SL.NO		Section under which registered or approved	Date of registration or approval	Approval/ Notification/ Registration No.	Approving/ registering Authority
(1)		(2)	(3)	(4)	(5)
Details of registration or approval under any law other than income tax act					
SL.NO		Law under which registered	Date of registration or approval	Approval/ Notification/ Registration No.	Approving/ registering Authority
(1)		(2)	(3)	(4)	(5)

## Common Mistakes

- As per **section 11(7)**, assessee is not eligible to claim exemption u/s 10 (other than 10(1) or 10(23C)) if the trust or institution is registered under Section 12A/12AA but claims it.

Details of registration or approval under Income Tax Act (Mandatory if required to be registered)					
SL.NO		Section under which registered or approved	Date of registration or approval	Approval/ Notification/ Registration No.	Approving/ registering Authority
(1)		(2)	(3)	(4)	(5)
1	As Entered	12A/12AA	1995-11-24 00:00:00.0	TR/31537	Dit

9h.Exemption under section 10(24)		0	
9i.Exemption under section 10(46)		0	
9j.Exemption under section 10(47)		0	
10.Amount eligible for exemption under any other clause of section 10 (other than those at 8 and 9)	34,24,56,367	0	-34,24,56,367

## Common Mistakes

- As per **20<sup>th</sup> proviso to section 10(23C)**, assessee is not eligible to claim exemption u/s 10 other than 10(1) if the trust or institution is approved u/s 10(23C)(iv/v/vi/via).

Details of registration or approval under Income Tax Act (Mandatory if required to be registered)					
SL.NO		Section under which registered or approved	Date of registration or approval	Approval/ Notification/ Registration No.	Approving/ registering Authority
(1)		(2)	(3)	(4)	(5)
1	As Entered	10(23C)(via)	2011-03-31 00:00:00.0	17	DISTRICT MAGISTRATE

9.Amount eligible for exemption under section 10(23C)(iiiab), 10(23C)(iiiac), 10(23C)(iiiad), 10(23C)(iiiiae), 10(23D), 10(23DA), 10(23FB), 10(24), 10(46), 10(47)	16,91,394	0	-16,91,394
9a.Exemption under section 10(23C)(iiiab)	0	0	0
9b.Exemption under section 10(23C)(iiiac)	0	0	0
9c.Exemption under section 10(23C)(iiiad)	16,91,394	0	-16,91,394
9d.Exemption under section 10(23C)(iiiiae)	0	0	0

## Common Mistakes

- Assessee does not select the applicable clause of section in Schedule “Part-A General” and the amount of exemption entered in the corresponding field of Schedule “Part-BT1”

FILING STATUS	AS ENTERED	AS COMPUTED
Filed u/s	Before due date - Voluntarily	After due date-Voluntarily
Filed in response to notice u/s		
Return furnished under section?	139-4A	139-4A
Please specify the section under which the exemption is claimed	Section 11	Section 11
If revised /in response to defective/Modified, then enter Receipt No		

8.Amount eligible for exemption under section 10(21), 10(22B), 10(23A),10(23AAA), 10(23B), 10(23EC), 10(23ED), 10(23EE), 10(29A)	2,23,294	0	-2,23,294
8a.Exemption under section 10(21)	0	0	0
8b.Exemption under section 10(22B)	0	0	0
8c.Exemption under section 10(23A)	0	0	0
8d.Exemption under section 10(10(23AAA)	0	0	0
8e.Exemption under section 10(23B)	2,23,294	0	-2,23,294
8f.Exemption under section 10(1023EC)	0	0	0

## Common Mistakes

- Receipts are disclosed in Schedules which is **not applicable** to assessee leading to disallowance of exemption claimed. Fill in only the appropriate schedule.

10.Amount eligible for exemption under any other clause of section 10 (other than those at 8 and 9)	2,40,731	0	-2,40,731
11 .Income chargeable under section 11(3) read with section 10(21)	0	0	0

SCHEDULE IE - 2 INCOME & EXPENDITURE STATEMENT (APPLICABLE FOR ASSESSEES CLAIMING EXEMPTION UNDER SECTIONS 10(23A), 10(24)	AS ENTERED	AS COMPUTED
A1.Total receipts including any voluntary contribution	1871791	1871791
A2.Application of income towards object of the institution	1631060	1631060
A3.Accumulation of income	240731	240731
B1.Do you have any income which is taxable? If Yes Please provide details of taxable income	N	N
a.Income from House Property (Please fill Schedule HP)	0	0
b.Income from Business or Profession (Please fill Schedule BP)	0	0



## Common Mistakes

- Assessee registered u/s 12A/12AA not e-filed the Audit Report in **Form 10B** – to be filed before filing ROI.

Details of registration or approval under Income Tax Act (Mandatory if required to be registered)					
SL.NO		Section under which registered or approved	Date of registration or approval	Approval/ Notification/ Registration No.	Approving/ registering Authority
(1)		(2)	(3)	(4)	(5)
1	As Entered	12A/12AA	2012-02-29 00:00:00.0	37/09-10	INCOME TAX AUTHORITY

4.Application of income for charitable or religious purposes or for the stated objects of the trust/institution			
4i.Amount applied during the previous year - Revenue Account [Excluding application from borrowed fund, deemed application, previous year accumulation upto 15% etc, i.e not from the income of prev year] [A16 + B10- E2-E3-E4-E5 from Schedule ER]	2,91,70,801	0	-2,91,70,801



## Common Mistakes

- Assessee approved u/s 10(23C) (iv/v/vi/via) does not e-file **Form 10BB** - to be filed before filing ROI.

Details of registration or approval under Income Tax Act (Mandatory if required to be registered)					
SL.NO		Section under which registered or approved	Date of registration or approval	Approval/ Notification/ Registration No.	Approving/ registering Authority
(1)		(2)	(3)	(4)	(5)
1	As Entered	10(23C)(iv)	1990-01-01 00:00:00.0	00/2017-18	DDU GORAKHPUR UNIVERSITY

3.Aggregate of income referred to in sections 11, 12 and sections 10(23C)(iv),10(23C)(v),10(23C)(vi) and 10(23C)(via) derived during the previous year excluding Voluntary contribution included in 1 and 2 above (10 of Schedule AI)	46,90,106	46,90,106	0
4.Application of income for charitable or religious purposes or for the stated objects of the trust/institution			
4i.Amount applied during the previous year - Revenue Account [Excluding application from borrowed fund, deemed application, previous year accumulation upto 15% etc, i.e not from the income of prev year] [A16 + B10- E2-E3-E4-E5 from Schedule ER]	29,97,282	0	-29,97,282



## Common Mistakes

- Form 10 & ROI are not **e-filed** within the due date u/s 139(1) - exemption claimed is not allowed.

4vi.Amount in addition to amount referred to in (iv) above, accumulated or set apart for specified purposes if all the conditions in section 11(2) and 11(5) or third proviso to section 10(23C) are fulfilled (fill out schedule I)	34,23,890	0	-34,23,890	Form10 Details
4vii. Amount eligible for exemption under section 11(1)(c)	0	0	0	
	Approval Number given by the board	Date of approval by the board	Approval Number given by the board	Date of approval by the board
4viii.Total [4i +4ii+4iii+4iv+4v+4vi+4vii]	1,44,44,537	1,10,20,647	-34,23,890	

FORM 10 DETAILS	
Subsequent No of Previous years	
Amount	3423890
Percentage of Income	23.7
Date of Filing Of Form	13-11-2019
Date Of Inwarding	14-11-2019
Filing Type	0



## Common Mistakes

- Form 9A is not **e-filed** within the due date u/s 139(1) - Exemption claimed is not allowed.

4iii.Amount applied during the previous year - Revenue/Capital Account (Repayment of Loan)	23,54,487	23,54,487	0	
4iv.Amount deemed to have been applied during the previous year as per clause (2) of Explanation to section 11(1).	16,88,555	0	-16,88,555	
4iva.If (iv)above applicable, whether option Form No. 9A has been furnished to the Assessing Officer	Y	Y	NA	Form9A
4ivb.If yes, date of furnishing Form No. 9A (DD/MM/YYYY)	22/07/2020	22/07/2020	NA	

FORM NO. 9A	
[SEE RULE 17(1)]	
APPLICATION FOR EXERCISE OF OPTION UNDER CLAUSE(2) OF THE EXPLANATION TO SUB-SECTION (1) OF SECTION 11 OF THE INCOME - TAX ACT, 1961.	
1. E-filing Date of the Form	22/07/2020
2.Date of Inwarding	23/07/2020
3.Filing Type	0





## Common Mistakes

- Assessee claiming exemption u/s 13A and has not satisfied the condition mentioned u/s 13A and Return is **not filed within the due date – exemption is not allowed.**

12a. Income claimed/ exempt under section 13A in case of a Political Party	181,07,92,658	0	
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SCHEDULE LA POLITICAL PARTY	AS ENTERED	AS COMPUTED
1. Whether books of account were maintained ?	Y	Y
2(a). Whether any voluntary contribution from any person in excess of twenty thousand rupees was received during the year ?	Y	Y
2(b). If yes, Whether record of each voluntary contribution (other than contributions by way of electoral bonds) in excess of twenty thousand rupees (including name and address of the person who has made such contribution) were Maintained?	Y	Y
3. Whether the account has been audited ?	Y	Y
If yes furnish the following information:-		
a. Date of furnishing of the audit report (DD/MM/YYYY)	30/09/2019	30/09/2019
b. Name of the auditor signing the audit report	I.V.S.SURYANARAYANA RAJU	I.V.S.SURYANARAYANA RAJU
c. Membership No. of the auditor	218282	218282
d. Name of the auditor (Proprietorship/ firm)	IVS & ASSOCIATES	IVS & ASSOCIATES
e. Proprietorship/firm registration No.	11572	11572
f. Permanent Account Number (PAN) of the auditor (proprietorship/ firm)	AACF13395Q	AACF13395Q
g. Date of audit report	2019-09-30 00:00:00.0	2019-09-30 00:00:00.0
4. Whether any donation exceeding two thousand rupees was received otherwise than by an account payee cheque or account payee bank draft or use of electronic clearing system through a bank account or through electoral bond?	Y	Y
5. Whether the report under sub-section (3) of section 29c of the Representation of People Act, 1951 for the financial year has been submitted ?	Y	Y
6. If yes, then date of submission of the report (DD/MM/YYYY)	30/09/2019	30/09/2019



## Common Mistakes

- Assessee claiming exemption u/s 13A but Return is **not filed within the due date.**

12a. Income claimed/ exempt under section 13A in case of a Political Party	9,92,800	0	
12b. Income claimed/ exempt under section 13B in case of an Electoral Trust (item No. 6vii of Schedule ET)		0	

EXTENDED DUE DATE FOR FILING RETURN: 31/10/2019		
DATE OF FILING OF RETURN: 30/08/2020	STATUS 5 DATE: 21/10/2020	ACCOUNTING COMPLETION DATE: 22/10/2020
MODE OF FILING: ELECTRONICALLY DIGITALLY PROCESSING STATUS: ACCOUNTING PROCESS 234 CALCULATION DATE (STATUS 46 DATE):		



## Common Mistakes

- Assessee is approved u/s 10(23C)(iv to via) but Audit Report is filed in Form 10B instead of Form 10BB.

Details of registration or approval under Income Tax Act (Mandatory if required to be registered)					
SL.NO		Section under which registered or approved	Date of registration or approval	Approval/ Notification/ Registration No.	Approving/ registering Authority
(1)		(2)	(3)	(4)	(5)
1	As Entered	10(23C)(vi)	2020-07-27 00:00:00.0	422414880270720	Asst Commissioner

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	
1. E-filing Date of the Form	10/08/2020
2. Date of Inwarding	11-08-2020
3. Filing Type	0
1. I/We have examined the balance sheet of PRAGNA EDUCATIONAL AND CULTURAL TRUST AADTP1350R [name of the trust or institution] as at 2019-03-31 00:00:00.0 and the Profit and loss account for the year ended on that date which are in agreement with the books of account maintained by the said Trust or institution.	



## Common Mistakes

- Assessee is registered u/s 12A/12AA but Audit Report is filed in Form 10BB instead of Form 10B.

Details of registration or approval under Income Tax Act (Mandatory if required to be registered)					
SL.NO		Section under which registered or approved	Date of registration or approval	Approval/ Notification/ Registration No.	Approving/ registering Authority
(1)		(2)	(3)	(4)	(5)
1	As Entered	12A/12AA	2019-04-25 00:00:00.0	2019-20/A/10013	CIT EXEMPTION

FORM 10BB	
[SEE RULE 16CC]	
Attachment	
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).	
DECLARATION	
1. E-filing Date of the Form	27/01/2020
2. Date Of Inwarding	28/01/2020

## Common Mistakes

- Assessee claiming exemption u/s 13B and has not satisfied the condition mentioned **u/s 13B read with Rule 17CA.**
- Assessee disclosed **accreted income** in Schedule **115TD** but has not computed tax thereon. CPC computes tax on the accreted income and raises demand.

## Common Mistakes

- Income due to **non compliance** to provisions of the Act has to be entered in Sr.No.5 – Additions - (sec.11(1B), 11(3),12(2) etc.) of Schedule Part - BTI and exemption is **not allowable** on the amount entered in this column.
- Date of registration : Should be prior to the AY & not during the AY.

Rectification Rights for AY 2018-19 and prior years have been transferred to the jurisdictional AOs.

Assessees can file their request for rectification before the Jurisdictional AOs.

**With Regard to AY 2019-20** : details will be shared in the next presentation.

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# HOW TO RECTIFY ERRORS OF EARLIER YEARS?

ITR-7



## HOW TO RECTIFY ERRORS ?

### In cases where the ROI / statutory Forms are filed belatedly:

**Condonation** has been provided by the Board in certain cases to mitigate the hardship of the assesseees.

**For AY 2018-19 onwards:** Board vide circular no.2/2020 dated 03-01-2020.

**For AY 2016-17 & 2017-18 onwards:** Board vide circular no.6/2020 dated 19<sup>th</sup> February 2020 – **ROI filed belatedly**

**For AY 2018-19 onwards:** The Circular No.3/2020 dated 03<sup>rd</sup> January 2020 – **Form 9A and Form 10 related**

**For AY 2016-17 onwards :** Circular 19/2020 dated 3<sup>rd</sup> November 2020 – **Form 10BB delay condonation related**

**- Jurisdictional CIT to take necessary action.**

## HOW TO RECTIFY ERRORS ?

- **Registration/Approval Details:** If the assessee is registered/approved but details were not furnished in the return of income –
  - **Way forward :** Please provide the details in the Part-A “**General - Personal Info**” by filing an rectification request before the jurisdictional AO.
- 

## HOW TO RECTIFY ERRORS ?

- **Section 10 is not selected :** In case Section 10 has not been selected while filing the return of income and the exemption has been disallowed -
  - **Way forward :** Please specify the same Section in Schedule Part-A “**General Personal Info**” on par with the exemption claimed in **Schedule Part BTI** by filing an online rectification request along with the supporting documents.
-

## HOW TO RECTIFY ERRORS ?

- **Applicable Schedule not filled for AY 2019-20 :**
  - **Way forward :** Such errors can be rectified by filling the applicable schedules and filing an online rectification request on the e-filing portal.
- 

## HOW TO RECTIFY ERRORS ?

- For all assessment year **2018-19 and earlier AYs :** Rectification rights have been transferred to the jurisdictional Assessing Officers.
  - Rectification requests can be moved before the **jurisdictional Assessing Officers** along with the requisite documents / information.
-

## Frequently Asked Questions on ITR-7

Section	FAQ	Answer
<b>EXEMPTION UNDER SECTION 11</b>	What are the provisions for claiming exemption under section 11 ?	<b>Conditions for allowing exemption under section 11</b>
	Which is the section under which you file a return if you enjoy exemption u/s 11 as well as 10(23C)(iv) ? Should it be 139(4A) or 139(4C) ?	1. Registration Details u/s 12A/12AA (Detail of registration/approval under Income Tax Act to be furnished in Schedule Part-A General, 'Return furnished section' to be selected as 139(4A) and 'Section under which exemption claimed' to be selected as section 11 ).
	While processing the returns, why is tax being levied on voluntary contribution shown under Schedule VC in case of exempted assessee u/s 11 ?	
	Institute is registered u/s 12A but is claiming Exemption u/s 10(23C)(iiiad). Whether we should disclose 12A Registration details or not ?	For e.g. if assessee has selected section 11 for "Section under which exemption claimed", for the field "Detail of registration/approval under Income Tax Act to be furnished in Schedule Part-A General, 'Return furnished section' section 139(4A) to be selected.
	Whether there is column to provide information towards Earmarked funds collected for specific purpose ?	<b>Other Details in the Return</b>
	If Previous Year set apart u/s 11 and 12 is utilised against revenue expenditure, then where should this amount be shown in return head of application of fund ?	2. Income to be disclosed in Schedule-AI and/or Schedule-VC
	Where should the revenue expenses incurred in case of educational institution run by the society under the Schedule ER as administrative expenses or educational be entered as a whole ?	3. Application of Income- Revenue expenditure to be disclosed in Schedule-ER 4. Application of Income- Capital expenditure to be disclosed in Schedule-EC. 5. Exemption u/s 11(1A) claimed in Schedule EC to be claimed to the extent of net consideration disclosed in the Schedule-AI.



<p>In case of sale of Asset and reinvestment, please clarify where to fill the data for sale and also purchase of asset.</p>	<p>6. If exemption under section 11(2)-for Accumulation is claimed - Form 10 and Return of Income to be filed within the Due Date specified u/s 139(1).</p>
<p>Schedule BP has not been enabled in ITR-7 to provide the information relating to business done by the charitable organizations. What is the way forward ?</p>	<p>7. If deemed exemption claimed under section 11(1) - Form 9A to be filed within due date of filing of the return. Refer Rule 17(1).</p>
<p>The trust is formed in Jan 2020 and the application is made for 12A registration but the application is still pending with the CIT (E). Is the assessee still eligible for exemption u/s 11 for AY 2020-21 or will the same be denied ?</p>	<p>8. If the total income of the trust or institution without giving effect to the provisions of section 11 and section 12 exceeds the maximum amount which is not chargeable to income-tax, audit report in Form 10B has to be e-filed one month prior to the due date specified u/s 139(1).</p>
<p>If there is a delay in Filing 9A but subsequently filed along with revised return and accumulation made during the previous year itself. What are the consequences ?</p>	<p>9. If there is any change in the Objects/activities during the year, assessee has to make an application for fresh registration within 30 days as per section 12A(1)(ab). This information has to be provided in Schedule Part A General(2)</p>
<p>As per section 139(4A) person in receipt of income derived from property held under trust for charitable purpose can file return in form ITR 7.</p>	<p>10. Section under which exemption claimed has to be selected in Part A general .</p>
<p>Section 139(4A) permits filing form 7 even when no exemption is claimed. Only condition is it should be charitable or religious institutions.</p>	<p>11. Section under which return filed is as per the section of exemption.</p>

	<p>Few cases, we have error of defective return wherein the assessee has earned no income during the year but has incurred some expenses from savings or no expenses incurred. Then CPC highlight that assessee is not eligible for ITR 7 since it has no income for claiming exemption whereas as per section 139(4A) if assessee is registered u/s 12AA then it has to file ITR 7. Please clarify.</p>	<p>12. Fill the applicable schedules and not all schedules.</p>
	<p>In Schedule J - Statement of fund &amp; investment - what is the amount that should admitted there. Is it total or unutilised balance ?</p>	
	<p>Section 10(23C)(iiiab) government grant above 50percent and 12A also obtained can we claim both exemptions?</p>	
	<p>Whether we need to enter details of new registration under Part A General ?</p>	<p>If assessee is having details of new/fresh registration, may be furnished.</p>
	<p>Acquisition of capital asset is claimed as application of income. If asset acquired through borrowed capital, some have claimed acquisition of asset as application, other as repayment of borrowed fund as application in the past. With the ITR disclosure mandating removal of repayment of loan from application, can one still argue and continue to claim acquisition of asset as application since a uniform approach has been followed since the past ? Transition from old to new approach will cause recasting and reworking of all previous financial statements, a herculean task.</p>	<p>Sl. No. 4(iii) of Schedule Part B-TI "Amount applied during the previous year - Revenue/Capital Account (Repayment of Loan)" may be filled for the repayment of loan.</p>

A Trust is having income from letting of marriage hall and rental income and is willing to offer this income under the head "Income from other sources" and pay tax but Form 7 is not allowing this. A pop-up message saying "As you are claiming exemption under section 11 your Return will be treated as defective". What is the way forward ?

Where should Interest on Fixed Deposits, accrued interest and Interest on NSC be shown in ITR-7 and offered as Income ? Also please state where Voluntary Contribution from Local-other than Corpus Fund should be shown ?

If Charitable Trust is doing some Business Activity then where should this business income be shown in the ITR-7 ?

What kind of receipts should be included under receipt from incidental objects ?

For schedule IE-4 applicable cases, whether Schedule AI is applicable ?

Under which column in Schedule AI income other than interest, rent, commission, dividend, agricultural income and voluntary contributions should be filled ? Receipts from main objects / receipts from incidental objects?

If trust has Interest on FDR, should it be shown in income from other sources separately or just in aggregate income referred to in sec 11, 12 ?

**SCHEDULE AI:** Schedule AI has been provided for the **Aggregate of income derived during the previous year excluding Voluntary contributions to be filled by assessee claiming exemption u/s 11 and 12 or u/s 10(23C)(iv) or 10(23C)(v) or 10(23C)(vi) or 10(23C)(via).**

**For other entities under clauses of Section 10** referred to in section 139(4C /4D), the respective Schedule IE has to be filled to disclose the income. For persons referred to in Section 13A and 13B, income may be entered in Schedules for related head of income- Schedule HP, BP, CG and OS.

Schedule AI not to be filled by assessee other than assessee claiming exemption u/s 11 and 12 or u/s 10(23C)(iv) or 10(23C)(v) or 10(23C)(vi) or 10(23C)(via).

	<p>When we fill up grants received from government and shown as spent in application, it considers only receipts and application is not considered. What is the way forward ?</p>	<p><b>Schedule ER</b></p>
	<p>How can a trust claim loss while filing ITR - 7 ? The utility does not have an option for giving details of losses.</p>	<p>Schedule ER for furnishing of details of revenue expenditure incurred during the year and amount applied to stated objects of the trust/institution during the previous year - Revenue Account [to be filled by assesses claiming exemption u/s 11 and 12 or u/s 10(23C)(iv) or 10(23C)(v) or 10(23C)(vi) or 10(23C)(via)]</p>
	<p>In ITR-7 there is no option of showing excess of expenditure over income it accepts only zero figure. What to do in such cases ?</p>	<p>In schedule ER, field for disclosing source of funds to meet revenue expenditure is provided in Sl. No. E, where all expenditure are to be disclosed.</p>
	<p>Where should the application towards the objects of the Trust is in excess of the Income of the Trust (the excess application is from out the capital funds of the Trust) where to disclose the same in the ITR-7 ?</p>	<p>Source of funds may be furnished in the Schedule ER in Sl.No. E - appropriately:</p>
	<p>Excess application of income can be carried forward to next year. How?</p>	<p>1. Income derived from the property/income earned during previous year</p>
	<p>The ITR form requires receipt from main objects/expenditure on objects to be entered in Schedule AI/ER respectively. Rent, commission, dividend, interest are separate fields, whereas these are utilized for main objects only. Similarly, for expenses. How to fill this schedule ? Receipt/expenses as per us would always be from main objects only.</p>	<p>2. Income deemed as application in any preceding year under clause 2 of explanation 1 of section 11(1) (applicable only when exemption is claimed u/s 11 and 12)</p> <p>3. Income of earlier years up to 15% accumulated or set apart</p> <p>4. Borrowed Fund</p>
	<p>Can amount overspent by a Trust in an earlier year be mentioned in the ITR-7 ? If this is allowed, where should this information be entered in ITR-7 ?</p>	<p>5. Any other (Please specify)</p>

How should the interest earned on amount accumulated under section 11(5) be treated and where should it be reported in the ITR-7 ?

How to carry forward excess application to next year and adjust against the receipt ?

Where the application towards the objects of the Trust is in excess of the Income of the Trust (the excess application is from the capital funds of the Trust) Where to disclose the same in the ITR-7 ?

Please inform if we are required to disclose excess of expenditure over income in case of trusts and charitable institutes.

How to set off excess of application over income of earlier years against the current year income in the ITR-7 ?

Where to show advance payment for application of income ?

How and where to show deficit in the ITR-7 ?

Will excess Expenditure over Income be mentioned as Carried forward in the Intimation u/s 143(1)(a) ?

Excess application of fund during the year in comparison to receipt of income. Where to claim the excess application of fund in ITR-7 ?

In the ITR-7, Schedule Part B-TI, in application of income, amount applied during the previous year- Capital Account [Excluding application from Borrowed Funds, deemed application, previous year accumulation up to 15% etc., i.e. not from income of the previous year] is to be entered. Establishing a one on one correlation between utilization of 15% accumulation of previous years for punching the net amount applied during the year is difficult. (Further, the use of etc. has caused confusion since movement in working capital also to be tracked and excluded from here ? Also working capital may be deducted or added based on similar analogy, keeping this track is next to impossible). Please suggest the way forward.

Honourable Supreme Court has held that excess application will be allowed in subsequent year. Where & how to show in return ?

If the institution has made application of income up to 85% taking into account the work in progress made during the year. Is it necessary to file form 10 (without work in progress the utilisation is less than 85%) ?

Please explain what is required information in schedule I of ITR 7 in detail?

Could you explain the requirements of Schedule I ?

How do we show previous year accumulation?

**Section 11(2) read with Section 13(9) - Conditions for allowing exemption u/s 11(2)**

Accumulation for an institution eligible for exemption u/s 11

A. Return has to be filed within due date specified u/s 139(1).

B. Form 10 giving particulars of accumulation to be filed within due date u/s 139(1).

Schedule I has to be filled if income accumulated is more than 15% of income. What forms need to be filled for this ? If we fill Form 9A for deemed application of income then do we need to disclose anything in Schedule I ?

Where to fill the details of additional accumulation of earlier years being utilized during the current FY ?

Are there any requirements like accumulation ( for unspent income) and Investments as prescribed u/s 11(5) in 10(23C) like sec 11 ?

In case a Trust's application of fund falls short of 85%. Is the trust eligible for accumulation of 15% ?

We are in the process of uploading ITR-7 for FY 2019-20 (AY 2020-21) in case of Trust which is registered under section 12A/12AA and also under section 10(23C)(iv) of the Income Tax Act, 1961. Till F.Y. 2018-19 (A.Y. 2019-20), we had selected the exemption code of Section 10(23C)(iv) at the time of filing of IT Return and claimed the corpus donation received as exempt.

We have to state that in Sl. No. 7 i.e., Total (1+2+3-4viii+5vi+6) of Schedule Part B-TI "STATEMENT OF INCOME FOR THE PERIOD ENDED ON 31ST MARCH 2020", wherein Voluntary contribution forming part of corpus [(Ai + Bi) of schedule VC] is shown as Taxable instead of exempt which was therein in previous year utility i.e., for FY 2018-19 (AY 2019-20).

Corpus Donation u/s 11(1d) is applicable to the assessee registered u/s 12A/12AA. For AY 2021-22 onwards, for persons approved under section 10(23C)(iv)/(v)/(vi)/(via), corpus fund donation is exempt.

**EXEMPTION UNDER SECTION 10(23C)(iv)/(v)/(vi)/(via)**

What are the provisions for claiming exemption under section 10(23C)(iv/v/vi/via) ?

If trust is registered under 10(23C)(iv), then corpus donation received is taxed in utility instead of being treated as exempt. Please clarify.

If receipt is more than the exemption limit of Rs 250000/-, then form 10BB is used for audit report. Please clarify which Form is to be used in case of a school ?

Which schedule is to be filled for claiming exemption u/s 10(23)(C)(vi) ?

In case of sale of Asset and reinvestment, please clarify which column is to be filled the same for sale and also purchase of asset.

**Conditions for allowing Exemption u/s 10(23C)(iv/v/vi/via)**

1. Approval Details u/s 10(23C)(iv/v/vi/via) (Detail of registration/approval under Income Tax Act to be furnished in Schedule Part-A General, 'Return furnished section' to be selected as 139(4C) and 'Section under which exemption claimed' to be selected as section 10(23C)(iv/v/vi/via)).

**Other Details in the Return**

2. Income to be disclosed in Schedule AI and/or Schedule VC.

3. Application of Income- Revenue expenditure to be disclosed in Schedule ER.

4. Application of Income- Capital expenditure to be disclosed in Schedule EC.

5. If the total income of the trust or institution without giving effect to the provisions of section 10(23C)(iv / v / vi / via ) exceeds the maximum amount which is not chargeable to income-tax, audit report in Form 10BB to be filed one month prior to the due date specified u/s 139(1).

6. If exemption claimed under section 11(2), amount of Accumulation to be filled in Schedule-I.

7. If assessee is approved u/s 10(23C)(iv or v) and purpose of the



	<p>In Schedule J - Statement of fund &amp; investment - what amount should be given - is it total or unutilised balance ?</p>	<p>trust/institution is advancement of any other object of General Public utility, then the total receipts and Percentage of such activities to be mentioned in Schedule Part-A General(2). As per section 2(15), If the percentage of receipts of such activities <b>exceed 20% of total receipts of the trust / Institution then exemption u/s 10(23C)(iv or v) is not allowable.</b></p>
<p><b>EXEMPTION UNDER SECTION 10(23C)(iiiab)/(iiiac)</b></p>	<p>What are the conditions for allowing exemption under section 10(23C)(iiiab)/(iiiac) ?</p>	<p><b>Conditions for allowing exemption under section 10(23C)(iiiab)/(iiiac)</b></p> <ol style="list-style-type: none"> <li>1. Return furnished section' to be selected as 139(4C) in Schedule Part-A General.</li> <li>2. 'Section under which exemption claimed' to be selected as section 10(23C)(iiiab)/(iiiac) in Schedule Part-A General.</li> <li>3. Objective of the institution to be mentioned as Education for Section 10(23C)(iiiab) and as Medical for Section 10(23C)(iiiac).</li> <li>4. Receipts to be disclosed in Schedule-IE3 and/or Schedule-VC.</li> <li>5. <b>Grants received from Government to be disclosed in Schedule-IE3.</b></li> <li>6. As per Rule 2BBB, exemption is allowable only if Government grants of such university or other educational institution, hospital exceed 50% of the</li> </ol>

		<p>total receipts including any voluntary contributions.</p> <p>7. Exemption amount to be entered in the respective field of Schedule Part-BTI. (Part-BTI Sl.No.9 in relation to claiming exemption under section 10(23C)(iiiab)/(iiiac)).</p>
<b>EXEMPTION UNDER SECTION 10(23C)(iiiad)/(iiiae)</b>	<p>Assessee claims exemptions u/s 10(23C)(iiiad), can he e-file audit report ?</p> <hr/> <p>For return u/s 10(23C)(iiiad) which Schedules should be filled in and under which schedule corresponding income of TDS should be shown ?</p> <hr/> <p>Please explain when the receipts are more than 1crore for educational institutions, where to fill in the return form ?</p>	<p><b>Conditions for applying exemption under section 10(23C)(iiiad)/(iiiae)</b></p> <ol style="list-style-type: none"> <li>1. 'Return furnished section' to be selected as 139(4C) in Schedule Part-A General.</li> <li>2. Section under which exemption claimed' to be selected as section 10(23C)(iiiad)/(iiiae) in Schedule Part-A General.</li> <li>3. Objective of the institution to be mentioned as Education for 10(23C)(iiiad) and as Medical for 10(23C)(iiiae).</li> <li>4. Receipts to be disclosed in Schedule-IE4 and/or Schedule-VC.</li> </ol>

	<p>If educational institutions income exceeds 1 crore and not having registration u/s 12A, which section is applicable for exemption ?</p>	<p>5. As per Rule 2BC, exemption 10(23C)(iiiad)/(iiiie) is allowable only if the annual receipts of such university or other educational institution, hospital does not exceed Rs.1 Crore.</p> <p>6. Exemption amount should be entered in the respective field of Schedule Part-BTI. (Part-BTI Sl.No.9 in relation to claiming exemption under section 10(23C)(iiiad)/(iiiie)).</p>
	<p>If an education society is running multiple educational institutions and if some are having gross receipts below 1 crore and some are having gross receipts above 1 crore then whether exemption under section 1023C(iiid) can be claimed ?</p>	
<b>AUDIT REPORT</b>	<p>Is it possible to file form 10B even if the institution is not liable to file the same ?</p>	<p><b>E-FILING OF AUDIT REPORT</b></p> <p><b>FORM 10B</b> - As per section 12A(1)(b) of Income Tax Act (up to Assessment year 2019-20), when the total income of a trust/institution exceeds the maximum amount which is not chargeable to tax in previous year, the accounts of such trust/institution for that year to be audited and to furnish Form 10B <b>ALONG WITH THE RETURN.</b></p> <p><b>(From Assessment year 2020-21)</b> Act has been amended from Assessment year 2020-21). As per Section 12A(1)(b) r.w.s. 44AB Audit report in FORM 10B to be filed one month prior to the due date for furnishing the return of income under sub-section 1 of section 139</p> <p><b>Board's order on Condonation for delay in filing FORM 10B</b> - If there is a delay in filing the form 10B, Board Circular No. 10/2019 and Circular No. 2/2020 may be referred to. (Boards orders attached at the end</p>
<p>Is it necessary to get the accounts audited if the income and expenditure is less than Rs. 3.00 lakhs ?</p>		
<p>At times we have seen that the department has noticed assessee siting error that 10B not filed in cases even if the receipt is less than 2.5 Lacs ?</p>		
<p>For 12A registration audit report is required. So, under which section audit can be done or form to be filled up ?</p>		
<p>For AY 2019-20 form 10B was filed on 18/10/2019 and return was filed on 24/09/2019 but the exemption under section 11 (1)(d) was not allowed in order u/s 143(1) saying the form 10B was not filed within due date and for the AY 2019-20 extended due of filling return was 31/10/2019.</p>		

<p>If form 10B submitted after due date i.e. after return filed whether we will claim exemptions ?</p>	<p>of this document for easy reference). Accordingly, condonation may be sought before the jurisdictional Commissioner. Giving effect order for the condonation passed by CIT will be given by the jurisdictional AO.</p>
<p>What is the minimum amount of receipt and payments for which Form 10B is mandatory ?</p>	
<p>Is it okay if we file the Audit report Form 10B when only half a month is available before the due date ?</p>	
<p>If there is reasonable cause, is condonation available for delay in filing of Form 10B and ITR 7 ?</p>	
<p>What are the requirements for audit for charitable trust ?</p>	
<p>What is the fine or penalty for late filing form-10B ?</p>	
<p>In Form 10B or Form 10BB, what should be the amount mentioned by Auditor as Amount spent on Charitable Purpose - should it include expenses made for income set apart in earlier years ?</p>	
<p>Who is required to fill Form 10BB and who is required to fill Form 10B ?</p>	<p><b>Who can file Form 10B and Form 10BB?</b></p> <p>Form 10B to be filed by assessee for claim of exemption u/s 11.</p> <p>Form 10BB to be filed by assessee for claim of exemption u/s 10(23C)(iv)/(v)/(vi)/(via), where the income exceeds maximum amount not chargeable to tax.</p>
<p>When should form 10B / 10BB be filed ?</p>	
<p>Why two different forms 10B and 10BB ?</p>	
<p>Please clarify Form 10B and Form 10BB where to use as audit report ?</p>	

	Can form 9A, Form 10, Form 10B and Form 10BB revised ?	Revising of forms may be done as per ICAI instructions and other compliances of filing of form may be followed.
	Whether audit is mandatory to claim exemption under section 13A and 13B?	Yes. Please fill the Sl. No. H/I of schedule Part A General for the benefit of due date. Please fill Schedule LA/ET appropriately for claim of exemption u/s 13A or 13B.
<b>ITR - 7 APPLICABLE ENTITIES</b>	What sub status needs to be selected if Status is AOP/BOI ?	<b>RULE 12(1)(g) - ITR 7 to be used by entities:</b>
	Once we select Status (in PART A – GENERAL(1) ) as “AOP”, option to select the sub status for Trust Registered U/s 12A/12AA was previously available. But the current form such option is not there. What is to be selected ?	Please refer Rule 12(1)(g) of Income Tax Rules which states the persons who are required to file ITR 7. (persons required to file return under section 139(4A/4B/4C/4D) are required to file return in ITR 7.
	Trust which are not registered u/s 11 and do not distribute profits are taxed @ 30%. Tax for such trust is charged at MMR. How to avoid this ?	For status AOP/BOI, the sub-status field also has to be filled in the return in Schedule Part A General. Below dropdowns are available under sub-status-
	Should an unregistered charitable trust, say Temple, file form ITR-7 without claiming exemption u/s 11 ?	1. Society registered under Society Registration Act, 1860 2. Public Charitable Trust
	For Temple, religious trust not registered under section 12A and TDS is deducted on FDR. Which form should be filed - ITR-5 or ITR-7 ?	3. Other AOP/BOI Other AOP/BOI is taxable at MMR as per section 167B.
	The assessee is an educational society having PAN of Trust and is not registered u/s 12A or sec 10(23C). The assessee society wants to file return Form ITR-5 as business income as assessee society incurred heavy losses during the year under consideration. Is it right to do so ?	The details in the Return have to be filled as applicable. Details of Registration under Section 12A/12AA are to be entered as per facts of the case.  If the trust/institution not covered under Rule 12(1)(g), then ITR 5 may be filed by such trust/institution. (sub-

	<p>Please let me know that in the case of a Society or Non-Profit Organisation which is not enjoying any exemption, we find it difficult while selecting the exemption section since no option as such is available. Please clarify ?</p>	<p>status field for AOP/ BOI is available in ITR 5 as well. The AOP is required to furnish members details in Schedule Part A General -Partners or member or Trust information, appropriately.</p>
	<p>The Society is registered u/s 12A but eligible u/s 10(23C)(iiiad) and hence claiming Exemption under this section . "Whether Registered u/s 12A and details of 12A" do we have to submit the 12 A registration details ?</p>	<p>If exemption is not applicable under the Act, it may not be claimed in the return.</p> <p>Please read the section 2(15) for meaning of charitable purpose.</p>
	<p>Please clarify whether a Trust, not registered under income tax, filing ITR-7, is taxable at MMR or should it be taxed under slab rate of individual.</p>	
	<p>One of our AOP is registered u/s 12A. Is it compulsory to file ITR-7 or ITR 5?</p>	
	<p>Assessee is a Registered Society claiming exemption under Principle of Mutuality. Only Bank interest is offered to Tax under Other Sources in ITR-7. What are the columns to be filled in ITR-7</p>	
	<p>Which ITR form to be filed for public charitable trust registered under Societies Act but not registered u/s 12A ? Whether such assessee is not eligible for claiming exemption u/s 11 &amp; 12 ?</p>	

My client is being registered under 12A/12AA and the status is AOP and sub-status is others , but we are not able to key in the CIT registration number and who has given the approval. Let us know whether it is important to key in the same or not ? Client is claiming exemption from 10(25)(iv). - status sub-status portion

We have trust which is not registered under 12A. Kindly guide which ITR is required to be filed - ITR-7 or ITR 5 ?

If income exceeded 20%, is exemption u/s 11 not applicable ? In such case, whether ITR 5 is to be filed or ITR-7 ? If ITR 5 to be filed, where can I disclose utilisation of fund accumulated in earlier AYs (when section 11 was applicable) in the current year ?

Which ITR is to be used for Private Family Trust. The trust is discretionary. So, what should be the status ?

There is a private trust for the benefit of family members. The trust carries on business relating to renting of immovable property. Being trust which ITR Form is to be used - whether ITR-7 or ITR 5 ?

Trust has not taken exemption u/s 11/12/12A. How to file ITR-7 ?

In cases where no exemption is claimed in such cases, utility does not permit to file form 7. Even when we file 139(9) notice is sent ?

	<p>Form-7 is not applicable to trust without registration 12A and Form-5 is being filled for the same which is not matching to the need of charitable organization. Solution may please be provided.</p>	
	<p>Can a Trust not registered under section 12 file ITR 7 ?</p>	
	<p>Exemption U/s 11 allows deduction of Corpus Donation, but choosing 10(23C)(iv) does not. Then which section should be chosen for filing of return ? (From FY 2020-21 both are allowed, but not in earlier year, including FY 2019-20)</p>	
	<p>Corpus Donation Receipt from individuals are exempt u/s 11, but it is disallowed u/s 10(23C)(iv) hence it becomes a problem as to which section to choose 11 or 10(23C)(iv) for FY 2019-20 and earlier years.</p>	
	<p>Is Form 3CA-3CD along with Form 10B mandatory to file educational institution running other business activity along with Charitable activity ?</p>	
<p><b>EXEMPTION UNDER OTHER CLAUSES OF SECTION 10</b></p>	<p>Can you briefly elaborate who are others u/s 139 require to file return in ITR 7 ?</p>	<p><b>Conditions for applying exemption under clauses of section 10 not covered under Rule 12(1)(g)</b></p> <p>1. 'Return furnished under section' to be selected as Others in Schedule Part-A General.</p>
<p>Please explain filing of ITR -7 in case of exemption under different sub-section of section 10.</p>		



	<p>What could be the solution if the exemption section like 10(25(ii)/(iii)/(iv) is not there in drop down list ?</p>	<p>2. 'Section under which exemption claimed' to be selected as section 10(20), 10(23AA), 10(23AAB), 10(23BB), 10(23BBA), 10(23BBC), 10(23BBE), 10(23BBG), 10(23BBH), 10(23C)(i), 10(23C)(ii), 10(23C)(iii), 10(23C)(iiia), 10(23C)(iiiaa), 10(23C)(iiiaaa), 10(23C)(iiiaaaa), 10(25)(i), 10(25)(ii), 10(25)(iii), 10(25)(iv), 10(25)(v), 10(25A), 10(26AAB), 10(26B), 10(26BB), 10(26BBB), 10(44) in Schedule Part-A General.</p> <p>3. Detail of receipts to be disclosed in Schedule-IE1 and/or Schedule-VC</p> <p>4. Exemption amount to be entered in the respective field of Schedule Part BTI (Part BTI Sl.No. (10) - Amount eligible for exemption under any other clause of section 10 (other than those at 8 and 9)</p>
<b>OTHER ENTITIES</b>	<p>Income of Recognized Provident Fund/Gratuity Trust/Employee PF Trust is exempted u/s <b>10(25)</b>. Whether it is necessary to file return of income ?</p> <p>Are Trust exempt us 10(25)(ii), (iii) &amp; (iv) not required to fill details of registration under Income Tax Act ?</p> <p>Unconditionally exempted persons are not mandatorily required to file returns as they are not covered u/s 139(1)(4A)/(4B). Is it ?</p> <p>To enter income under schedule AI, we are not covered u/s 10(23) but we come under 10(25) i.e. Recognised PF Trust</p>	<p><b>Other Entities not covered in RULE 12(1)(g)</b></p> <p>Return has to be filed as per provisions of section 139. As per Rule 12 Return Form ITR 7 is for specific entities.</p> <p>However, ITR 7 e-filing Utility has been enabled for entities which are unconditionally exempt to furnish their Return.</p> <p><b>As per Circular No. 18/2017 issued by Board</b></p> <p>Exemption from Deduction of TDS</p>

	<p>Which form should be used for Exempted Gratuity and PF establishment covered under section 10(25)</p>	<p>for entities has been granted in that circular. However, these entities are allowed to file return to claim refund of TDS inadvertently made in their case.</p>
	<p>As we understand that Recognised Provident Fund, Gratuity Fund &amp; Superannuation Fund are required to file ITR 7 as their income is unconditionally exempt u/s 10(25)(ii), (iii) &amp; (iv) respectively.</p>	
	<p>In case of I am having exemption u/s 10(25)(ii) and (iii) (ix) and there is no TDS am I not liable to file return of income ?</p>	
	<p>As we understand that Recognised Provident Fund, Gratuity Fund &amp; Superannuation Fund are required to file ITR 7 as their income is unconditionally exempt u/s 10(25)(ii), (iii) &amp; (iv) respectively.</p>	
	<p>Can you please give the CBDT circular under which the 10(25) need not file the return</p>	
	<p>For claiming refund why Form should be filed ? It can be filed in Form 1 in case income is fully exempt u/s 10 conditionally ?</p>	
	<p>If in a particular year, no TDS refund to be claimed by 10(25) gratuity trust, then is it ok if return is not filed for that year ? There need not be any continuity, right ?</p>	
<p><b>EXEMPTION UNDER</b></p>	<p>Could you kindly cover income of a VCF not exempt under section 10(23FB) ?</p>	<p><b>Section 139(4C)(ec)</b> is applicable to venture capital company and venture capital fund as referred to in section</p>

	<p>As per Act, ITR-7 is applicable to assessee claiming exemption under section 10(23FB), but CPC has guided me to file ITR-5 for the same. Does not it against the Act ?</p>	<p>10(23FB). ITR 7 is applicable only to the persons falling under section 139(4C)(ec).</p> <p>Any income for persons in clause (ec) of 139(4C) is exempt u/s 10(23FB) .</p>
	<p>Whether the Venture capital fund claiming exemption under section 10(23FB) to file ITR-7 or ITR-5 ?</p>	<p>The clause (23FB) is available in Schedule Part BTI for furnishing the amount of exemption claimed. ( Investment Fund's mentioned in Sec 115UB - The Investment Fund's income is exempt u/s 10(23FBA) . Clause (23FBA) of section 10 is not covered u/s 139(4C) and hence such entities are required to file return in ITR 5)</p>
	<p>VCF do not receive any donations. In such a case what should we disclose in schedule VC as no donations are being received by the VCF ?</p>	<p>In schedule Part B-TI , the exemption clause applicable to persons filing ITR 7 are available.</p>
	<p>I am a VCF, when I select exemption u/s 10(23FB) in Filing tab, all the fields in Schedule OS and Part B-TI except income claimed as exempt under section 10(23FB) are getting deactivated. I have some non VCU income which needs to be filled in Schedule OS. Can you please tell me what is the way out ?</p>	<p>The ITR 7 is filed by various entities. Only applicable Schedules have to be filled by the assessees.</p>
	<p>Entity registered as a venture capital fund under VCF regulations is required to file which ITR ? Till last year we used to file ITR 7</p>	<p>Entities having taxable income from the heads of income HP, BP, CG &amp; OS and who are not eligible for exemption on such income u/s 10(23FB) may file their return in ITR 5.</p>
	<p>Venture capital fund claiming exemption under section 10(23FB) and filing return under section 139(4C) has non VCU income where taxes are paid at fund level. In this case I am not able to fill in details in Income from other sources as that column is freezed. Can you please tell me what is the way out ?</p>	<p>The AOP required to furnish members details in Schedule Part A General - "Partners or member or Trust information" for tax to be levied at applicable rates. ( This schedule is not</p>

We are a trust established under the Indian Trust Act, 1882 and registered with the Securities Exchange Board of India as a Venture Capital Fund. Accordingly, we are required to file Income Tax Return under section 139(4C) of the Income Tax Act, 1961. Pursuant to said section, we are required to furnish our return of income in ITR-7 and eligible to claim exemption under section 10(23FB) of the Act. However, I was guided to fill ITR-5 which is not as per the Act.

available in ITR 7 as only exempt entities are required to use ITR 7)

As ITR-7 only allows to mention income exempt under section 10(23FB) of the Act in row 9g of Schedule Part B-TI whereas row 10 of schedule Part B-TI which allows mentioning the Amount eligible for exemption under any other clause of Section 10 is blocked. Thus, we are unable to mention details of income exempt under sections 10(35) of Act in Schedule Part B-TI.

I have taken exemption 10(23FB), I want to enter details under Schedule OS. The utility is disabled. Can you help me ?

Please clarify whether applying corpus donation for the purpose of the trust is permissible and where to fill this in ITR 7 ?

Assessee is a Venture Capital Fund claiming exemption u/s 10(23FB) and having Capital Gains during the year. However, in ITR-7 utility, the Sheet for Schedule CG is freezed and thus cannot enter any values in that Schedule.

In case we select ITR-5 to fill our return, ITR-5 has not the appropriate option for filling income in case of VCF. In ITR-5, there is option in “Part-A General” to enable exemption column of Part B-TI, “ Whether you are an investment fund referred to in section 115UB?”. Until we select “YES” in this column, we are not able to claim exemption. Since our trust is VCF as referred in Section 115U, section 115UB is not applicable to it. Can you please tell me what is the way out ?

In case of VCF claiming exemption under 10(23FB), once we select the exemption section of Part A general, we are not able to fill in details under schedule CG. VCF can have income from capital gains which is taxable in their hands. How do we disclose this ?

VCFs having non-VCU income which ITR is required to be filled ?

There is no place to disclose non-exempt income of a venture capital fund

**EXEMPTION UNDER SECTION 13A**

What are the provisions for claiming exemption under section 13A ?

**Conditions for allowing exemption under section 13A**

1. 'Return furnished section' to be selected as 139(4B) and 'Section under which exemption claimed' to be selected as section 13A in Schedule Part-A General.
2. Income to be mentioned under applicable heads of income and Schedule-VC
3. Exemption is not allowable on BP income.
4. Exemption of section 13A is allowable only if return of income has been filed within due date specified u/s 139(1).
5. Schedule-LA to be filled and all conditions mentioned in section 13A to be fulfilled.
6. Exemption amount to be entered in the respective field of Schedule Part BTI (Sl.No.12a in relation to claiming exemption under section 13A)

<b>EXEMPTION UNDER SECTION 13B</b>	<p>What are the provisions for claiming exemption under section 13B ?</p>	<p><b>Conditions for allowing exemption under section 13B</b></p> <ol style="list-style-type: none"> <li>1. Registration Details u/s 13B to be filled in Schedule Part-A General 'Return furnished section' to be selected as 139(4B) and 'Section under which exemption claimed' to be selected as section 13B in Schedule Part-A General.</li> <li>2.Exemption is allowable on Voluntary Contribution.</li> <li>3. Schedule-ET to be filled and applicable conditions mentioned in section 13B read with Rule 17CA to be fulfilled.</li> <li>4.Exemption amount to be entered in the respective field of Schedule Part-BTI. (Sl.No.12b in relation to claiming exemption under section 13B)</li> </ol>
<b>RECTIFICATION</b>	<p>Has AO got 100% rights to rectify the ITR-7 ?</p> <hr/> <p>How to rectify my trust return for A.Y 2019-20 if to change gross total income and exemption section ?</p> <hr/> <p>How rectify old ITR 7 for year 2016-17 ?</p> <hr/> <p>How to remove the demand raised for not providing the 12A registration details in ITR-7 ?</p> <hr/> <p>Error made in filing ITR 7 form in past years generated demand. Can that be rectified by revising ITR7 ?</p> <hr/> <p>Can demand raised for AY 2015-16 can be rectified if the column for investment us 11(5) has not been filled up ?</p>	<p><b><u>Rectification Rights</u></b></p> <p>Rectification Rights for Demand cases of AY 2013-14 to AY 2018-19 are with the jurisdictional AOs. Rectification application may be filed before the jurisdictional AO.</p> <p>Where Registration is allowed after filing of Return, Rectification application may be filed with the jurisdictional AO after the registration order is passed by the Commissioner.</p> <p><b>Please read section 11(2) with 13(9)</b> for accumulation of funds cases. Exemption u/s 11(2) is allowable when Return is filed within due date. For condonation of delay in filing Return, application may be filed before the jurisdictional CIT. Jurisdictional AO will pass the order</p>

<p>Condonation was received manually from CIT (Exemptions) for delay in filing Form 10 but not for Return of Income as that was filed within due date. CPC did not allow Sec 11(2) exemption stating Form 10 was not filed within due date. How to nullify the demand ?</p>	<p>giving effect to the condonation of delay given by the jurisdictional CIT.</p>
<p>If we have wrongly filled schedule which is not applicable to assessee like voluntary contribution &amp; exemption claimed u/s 10(23C)(iiiab) then how to correct the same ?</p>	
<p>In our case, the Commissioner of Income Tax (Exemptions), Hyderabad has condoned the delay in filing Form No.10B for Asst.year 2019-20. We have submitted rectification petition with CPC also but the same was not considered. What is the remedy ?</p>	
<p>CIT(E) refused Registration u/s. 12A for the registration applied for the AY: 2018-19. On appeal, the Hon'ble ITAT directed the CIT(E) to grant registration vide orders dt. Oct' 2019. The CIT(E) is yet to pass the orders giving effect to ITAT orders. Meanwhile for A.Y: 2019-20, CPC Bangalore processed the returns and raised tax demands, since the registration number of the assessee society is not mentioned. The matter is under appeal before CIT(E). For the current AY: 2020-21, the return of income is to be uploaded without mentioning the registration number since the consequential order not received from CIT(E). What is the remedy in this kind of scenario if the assessee has to upload the return by claiming exemption of its income U/s. 11 of the I.T.Act ?</p>	



Return of Income filed without getting them audited as proper books not maintained, CPC is treating them as Defective Returns. Any remedy ?

How to rectify our Demand for the AY 2018-19 which is pending before AO. CPC transferred the rectification rights to AO.

For AY 2020-21, shall we file ROI in ITR 7 before filing for renewal of trust ?

In the assessments, societies registered under societies act are being taxed at 30 %. How to rectify it ?

Our trust is registered under section 12A/12AA with registration number 50216 dated 12.07.2018 and approving authority is CIT (Exemptions). We have inadvertently selected yes to changes in the objects / activities during the Year in the information in Sl. No. CI of Schedule Other Details which relates to change in the objects / activities during the Year on the basis of which approval / registration was granted. We tried to rectify the return from yes to no but we could not as there is no option for us to file the rectification return ?

How the details can be sent to CPC for rectification ? The same is not getting rectified in online rectification request and we cannot give any details to CPC.

For section 8 company (not for profit) which form is to be filled if application for registration u/s 12 A is made but registration is not yet granted ?

	How to get refund of AY 2012-13 & 2013-14 for which ITR V and e verification not done till now and not yet processed and also not have option to e verify as of now ?	
	How do respond to the notice received under section 143(1A) ?	
<b>MISCELLANEOUS</b>	Our income is exempt u/s 11 and Deductor deducted our TDS and we claimed the same in the return but during the assessment we have received the notice for claiming the TDS when our income is Exempt. Can you please tell me what is the way out ?	Revised Return to be filed with disclosure of receipts in the return on which TDS is made if time is available to file revised return.  If ITR 7 is not applicable, Return to be filed in appropriate form type.
	How to rectify error of Defective Rule Code 662 ?	
	CPC passed the demand order without considering the 12A exemption for the AY 2018-19 and the rectification rights transferred to AO.	If assessee is having registration u/s 12A/12AA, the same has to be furnished in the return to get the exemption u/s 11.
	Filed ITR-7 in case of ITR-5. What is the solution ?	Revised Return to be filed with appropriate form type subject to time is available to file revised return.
	Exemption is disallowed and schedule VC filled has been treated as taxable while processing of return ? Is VC income chargeable to tax ?	Please refer help document and instructions attached
	Shall verification of ITR 7 be verified with DSC else verified with any other verification methods like Aadhar OTP, EVC ?	Please refer Rule 12 of Income Tax Rules
	Whether Mandatory to renewal registration u/s 12AB before filing return for AY 2020-21 ?	Yes. Refer provisions of section 12A and 12AB of Income Tax Act

	The trust has received a grant from government after deducting TDS. The question is whether calculating 85% application gross grant or net grant after deducting TDS. Can I claim TDS as application ?	Grants from government has to be disclosed as income in schedule VC. TDS is not an application for charitable purpose.
	Are temples governed by HR&C eligible for exemption u/s 10(23BBA)?	No. Not all temples. Refer provision of Section 10(23BBA).
	Private Trust for the benefit of children - taxability in the year of settling, year of accrual of income on settled amount, utilisation of sums as per trust deed, and final distribution of amount on attaining maturity. Whether status as AOP or to be taxed in individual capacity of co-beneficiaries in case (a) shares are determinate and (b) shares are indeterminate ?	Specific Trusts and Private discretionary Trusts are required to file return in ITR 5 .
	In the case of audit report under other acts/laws, if other audit report information is not provided by the assessee and the same is not filled in ITR 7. What are the consequences ?	Return and all schedules should be filled up as per the facts. Return is a self-declaration of particulars.
<b>UNIQUE DOCUMENT IDENTIFICATION NUMBER (UDIN)</b>	How can we understand whether UDIN has been verified by CBDT after uploading the form 3CB,3CD ?	Unless UDIN is validated, the screen will not move to form page (in case of online form) and form upload screen (in case of offline form)
	If there is an error in Java Utility, then how can we get immediate support from CPC, as recently it took almost 20 days to resolve my error? Who is responsible ?	You can complain to web manager <a href="mailto:efilingwebmanager@incometax.gov.in">efilingwebmanager@incometax.gov.in</a>
	Is it mandatory to prepare separate UDIN for Form 10B ?	For every audit form/certificate separate UDIN has to be generated. UDIN stands for Unique Document Identification Number.

<p>Whether we can see UDIN being validated through ICAI Website ? Because we have not been asked the login credentials to ICAI website when we filed today</p>	<p>UDIN generated from ICAI portal for each audit form/certificate has to be quoted while submitting such audit form/certificate to other stakeholders like Income Tax Department etc. While providing the same, using technology the validity of such UDIN submitted will be verified from ICAI system. User has no roll in such activity of validation process.</p>
<p>What will happen if UDIN omitted to be generated within 15 days. Can tax audit report can be revised and fresh UDIN can be provided. In that case whether the return filed earlier will be treated defective ?</p>	<p>If UDIN for a form is not updated within 15 days (or such relaxed period granted), then such forms uploaded will be treated as invalid. Users will have upload a fresh tax audit report with new UDIN by revoking the earlier UDIN from ICAI portal. If valid tax audit report is not accompanied along with the return, then necessary provisions of the Act will get attracted.</p>
<p>At where I have to validate UDIN ? Whether 'UDIN consumed' indicates UDIN validated ?</p>	<p>User need not validate UDIN. User has to generate UDIN for a specific audit form/certificate from ICAI portal and quote the same while submitting to the Income tax e-filing portal. The e-filing portal will automatically carryout the validity of such UDIN provided using technology. UDIN consumed indicates UDIN validated.</p>
<p>In form 10B UDIN filling option is not available. How it is validated ?</p>	<p>Every audit form/certificate upload screen has a provision to input the UDIN generated for that audit form/certificate</p>
<p>What if UDIN is updated but there is a link appearing to update UDIN under the head UDIN status ?</p>	<p>Update UDIN link will be active till such time the taxpayer accepts the audit form/certificate uploaded by the CA. Once taxpayer accepts the audit form/certificate, the link will get deactivated.</p>

	Can you elaborate on consumption of UDIN ?	UDIN is considered as consumed once the taxpayer has accepted the audit form/certificate uploaded by the CA. Once consumed, the same UDIN cannot be used for upload of the same form for the same taxpayer. If an audit form/certificate uploaded with UDIN is rejected by the taxpayer for any reason, then the same UDIN can be used for upload of the corrected form. The UDIN consumption logic has been factored to address these two scenarios.
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Notes:	
1	Time for filing revised return is available up to 31st March of the relevant Assessment Year.
2	Relevant Circulars of CBDT with respect to ITR 7 are attached herewith for reference.

**TO KNOW MORE ABOUT OTHER ITRs AND ABOUT CPC PROCESSES, PLEASE REFER TO THE “CPC HAND BOOK” or ACCESS e-FILING PORTAL OF THE INCOME TAX DEPARTMENT.**

**F. No. 385/01/2015-IT (B)**  
Government of India/ भारत सरकार  
Ministry of Finance/ वित्त मंत्रालय  
Department of Revenue/(राजस्व विभाग)  
Central Board of Direct Taxes/(केन्द्रीय प्रत्यक्ष कर बोर्ड)  
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North Block, New Delhi  
29<sup>th</sup> May, 2017

**Subject: Requirement of tax deduction at source in case of entities whose income is exempted under Section 10 of the Income-tax Act, 1961 - Exemption thereof.**

The Central Board of Direct Taxes (the Board) had earlier issued Circular No. 4/2002 dated 16.07.2002 and Circular No. 7/2015 dated 23.04.2015 which laid down that in case of such entities, whose income is unconditionally exempt under Section 10 of the Income-tax Act (the Act) and who are also statutorily not required to file return of income as per Section 139 of the Act, there would be no requirement for tax deduction at source (TDS) from the payments made to them since their income is anyway exempted from tax under the Act. The issue of whether exemption from TDS can be extended to more entities on these principles and whether the exemption is needed to be withdrawn in respect of some of the exempted entities was examined by the Board.

2. Examination of the eligibility of entities for exemption from TDS on the principle of unconditional exemption and no requirement to file return revealed that Circulars No. 4/2002 and 7/2015 are required to be updated to make the following changes:

- Entities that meet both the above mentioned conditions but are not mentioned in the aforesaid Circulars need to be included in the list of exempted entities.
- Entities that are mentioned in Circular No. 4/2002 but their exemption from income tax has since been withdrawn need to be removed from the list of exempted entities.
- Entities that are mentioned in Circular No. 4/2002 but because of subsequent amendment they are now required to mandatorily file their returns of income u/s 139 need to be removed from the list of exempted entities.

3. In view of the above, a revised list of entities exempted from TDS has been drawn by adding entities in the first category listed above to the entities mentioned in Circular No. 4/2002 and Circular No. 7/2015 and removing entities in second and third categories from the list of existing entities eligible for exemption from TDS.

4. Accordingly, it has been decided that in case of below mentioned funds or authorities or Boards or bodies, by whatever name called, referred to in section 10 of the Income-tax Act, whose income is unconditionally exempt under that section and who are also statutorily not required to file return of income as per section 139 of the Income-tax Act, there would be no

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requirement for tax deduction at source, since their income is anyway exempt under the Income-tax Act -

- (i) "local authority", as referred to in the *Explanation* to clause (20);
- (ii) Regimental Fund or Non-public Fund established by the armed forces of the Union referred to in clause (23AA);
- (iii) Fund, by whatever name called, set up by the Life Insurance Corporation of India on or after 1st August, 1996, or by any other insurer referred to in clause (23AAB);
- (iv) Authority (whether known as the Khadi and Village Industries Board or by any other name) referred to in clause (23BB);
- (v) Body or authority referred to in clause (23BBA);
- (vi) SAARC Fund for Regional Projects set up by Colombo Declaration referred to in clause (23BBC);
- (vii) Insurance Regulatory and Development Authority referred to in clause (23BBE);
- (viii) Central Electricity Regulatory Commission referred to in clause (23BBG);
- (ix) Prasar Bharati referred to in clause (23BBH);
- (x) Prime Minister's National Relief Fund referred to in sub-clause (i), Prime Minister's Fund (Promotion of Folk Art) referred to in sub-clause (ii), Prime Minister's Aid to Students Fund referred to in sub-clause (iii), National Foundation for Communal Harmony referred to in sub-clause (iiia), Swachh Bharat Kosh referred to in sub-clause (iiiaa), Clean Ganga Fund referred to in sub-clause (iiiaaa) of clause (23C);
- (xi) Provident fund to which the Provident Funds Act, 1925 (19 of 1925) referred to in sub-clause (i), recognized provident fund referred to in sub-clause (ii), approved superannuation funds referred to in sub-clause (iii), approved gratuity fund referred to in sub-clause (iv) and funds referred to in sub-clause (v) of clause (25);
- (xii) Employees' State Insurance Fund referred to in clause (25A);
- (xiii) Agricultural Produce Marketing Committee referred to in clause (26AAB);
- (xiv) Corporation, body, institution or association established for promoting interests of members of Scheduled Castes or Scheduled Tribes or backward classes referred to in clause (26B);

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- (xv) Corporation established for promoting interests of members of a minority community referred to in clause (26BB);
- (xvi) Corporation established for welfare and economic upliftment of ex-servicemen referred to in clause (26BBB);
- (xvii) New Pension System Trust referred to in clause (44).

4. This circular supersedes earlier Circulars on this issue e.g. Circular No. 4/2002 dated 16.07.2002 and Circular No. 7/2015 dated 23.04.2015 with effect from the date of issue of this Circular.

5. Hindi version shall follow.



**(Sandeep Singh)**

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Email: [sandeep.singh68@nic.in](mailto:sandeep.singh68@nic.in)

1. Chairman, Members and all other officers of the Central Board of Direct Taxes.
2. Pr. CCIT/ Pr. DGIT/ CCIT/ DGIT with a request to circulate the same amongst all officers in their Region / Charge.
3. Commissioner (Media & Technical Policy) and Official Spokesperson, CBDT.
4. Addl. Director General of Income-tax (PR, PP & OL)
5. Office of Comptroller & Auditor General of India.
6. ADG (Systems)-IV for uploading on the Departmental website.
7. Database Cell for uploading on the IRS Officers website.
8. Guard File.



F.No.197/55/2018-ITA-I  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

North Block, New Delhi  
20, December, 2018

**Sub: Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Form no. 10 and Form No. 9A for AY 2016-17**

Under the provisions of section 11 of the Income-tax Act, 1961 ( hereafter 'Act') the primary condition for grant of exemption to trust or institution in respect of income derived from property held under such trust is that the income derived from property held under trust should be applied for the charitable purposes in India. Where such income cannot be applied during the previous year, it has to be accumulated and applied for such purposes in accordance with various conditions provided in the section.

2. The Finance Act, 2015 amended section 11 and section 13 of the Act with effect from 01.04.2016 (A.Y. 2016-17). Consequently, Income-tax Rules, 1962 ( hereafter 'Rules') were also amended vide the Income-tax (1<sup>st</sup> Amendment) Rules, 2016. As per the amended provisions of the Act read with rule 17 of the Rules, while 15% of the income can be accumulated indefinitely by the trust or institution, 85% of income can only be accumulated for a period not exceeding 5 years subject to the conditions, *inter alia*, that such person submits the prescribed Form No. 10 electronically to the Assessing Officer within the due date specified under section 139(1) of the Act.

3. Further, where the income from the property held under trust and applied to charitable or religious purposes falls short of 85% of the income derived during the previous year for the reason that the income has not been received during that year or any other reason, then on exercise of the option by submitting in Form No.9A electronically by the trust/institution on or before the due date of furnishing the return of income, such income shall be deemed to have been applied for charitable or religious purpose.

4. Representations have been received by the Board/ field authorities stating that the Form No. 9A and Form No.10 could not be filed in the specified time for AY 2016-17, which was the first year of e-filing of these forms. It has been requested that the delay in filing of Form No. 9A and Form No.10 for AY 2016-17 may be condoned under section 119(2) (b) of the Act.

5. Accordingly, in supersession of earlier Circular/Instruction issued in this regard, with a view to expedite the disposal of applications filed by trusts for condoning the delay and in exercise of the powers conferred under section 119(2)(b) of the Act, the Central Board of Direct Taxes hereby authorizes the Commissioners of Income-tax, to admit belated applications in Form No. 9A and Form No.10 in respect of AY 2016-17 where such Form No. 9A and Form No.10 are filed after the expiry of the time allowed under the relevant provisions of the Act.

6. The Commissioners will, while entertaining such belated applications in Form No. 9A and Form No.10, satisfy themselves that the assessee was prevented by reasonable cause from filing of applications in Form No. 9A and Form No.10 within the stipulated time. Further, in respect of Form No. 10 the Commissioners shall also satisfy themselves that the amount accumulated or set apart has been invested or deposited in any one or more of the forms or modes specified in sub-section (5) of section 11 of the Act.

*V. S. Gautam*  
(Vinay Sheel Gautam)

Under Secretary to the Government of India

Copy to :-

1. PS to FM/OSD to FM/ PS to MoS (R) / OSD to MoS (R)
2. PPS to Secretary(Revenue)
3. The Chairperson, Members and all other officers in CBDT of the rank of Under Secretary and above.
4. All Pr. Chief Commissioners/ Pr. Director General of Income-tax/ Chief Commissioner of Income-tax (Exemptions) - with a request to circulate amongst all officers in their regions/ charges.
5. CIT(M&TP), CBDT and Official spokesperson of CBDT.
6. The Additional Director General (PR & PP), New Delhi.
7. ITCC Division of CBDT
8. Data Base Cell - for placing it on [www.irsofficersonline.gov.in](http://www.irsofficersonline.gov.in)
9. ADG (S) -4/ Web manager for placing it on [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)
10. The Guard File

F.No.197/55/2018-ITA-I  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

North Block, New Delhi the 22<sup>nd</sup> May, 2019

**Subject: Condonation of delay in filing of Form no. 10B for years prior to AY 2018-19-reg.**

Under the provisions of section 12A of Income-tax Act, 1961 (hereafter 'Act') where the total income of a trust or institution as computed under the Act without giving effect to the provisions of section 11 and section 12 exceeds the maximum amount which is not chargeable to income-tax in any previous year, the accounts of the trust or institution for that year have to be audited by an accountant as defined in the Explanation below sub-section (2) of section 288 and the person in receipt of the income is required to furnish along with the return of income for the relevant assessment year the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed.

2. As per Rule 17B of the Income-tax Rules, 1962 (hereafter 'Rules') the audit report of the accounts of such a trust or institution is to be furnished in Form no. 10B. As per Rule 12(2) of the Rules, such audit report is to be furnished electronically. The failure to furnish such report in the prescribed form along with the return of income results in disentitlement of the trust from claiming exemption under sections 11 and 12 of the Act.

3. Representations have been received by the Board/field authorities stating that Form no. 10B could not be filed along with the return of income for AY 2016-17 and AY 2017-18. It has been requested that the delay in filing of Form no. 10B may be condoned. Previously, vide instruction in F. No. 267/482/77-IT(part) dated 09.02.1978, the CBDT had authorized the ITO to accept a belated audit report after recording reasons in cases where some delay has occurred for reasons beyond the control of the assessee.

4. Accordingly, in supersession of earlier Circular/Instruction issued in this regard, and with a view to expedite the disposal of applications filed by such trusts or institutions for condoning the delay in filing Form no. 10B and in exercise of the powers conferred under section 119(2) of the Act, the Central Board of Direct Taxes hereby directs that:

- (i) The delay in filing of Form no. 10B for AY 2016-17 and AY 2017-18, in all such cases where the Audit Report for the previous year has been obtained before the filing of return of income and has been furnished subsequent to the filing of the return of income but before the date specified under section 139 of the Act is condoned.
- (ii) In all other cases of belated applications in filing Form no.10B for years prior to AY 2018-19, the Commissioners of Income-tax are authorized to admit such applications for condonation of delay u/s 119(2)(b) of the Act. The Commissioners will while entertaining such belated applications in filing Form no.10B shall satisfy themselves that the assessee was prevented by reasonable cause from filing such application within the stipulated time. Further, all such applications shall be disposed off by 30.09.2019.

  
(Rajarajeswari R.)

Under Secretary to the Government of India

**Copy to :-**

1. PS to FM/OSD to FM/ PS to MoS (R) / OSD to MoS (R)
2. PPS to Secretary(Revenue)
3. The Chairperson, Members and all other officers in CBDT of the rank of Under Secretary and above.
4. All Pr. Chief Commissioners/ Pr. Director General of Income-tax/ Chief Commissioner of Income-tax (Exemptions) – with a request to circulate amongst all officers in their regions/ charges.
5. Pr. DGIT (Systems) with request to rectify the orders u/s 143(1)(a) in those cases in which exemption has been denied on the issue as in para 4(i) above.
6. CIT(M&TP), CBDT and Official spokesperson of CBDT.
7. The Additional Director General (PR & PP), New Delhi).
8. ITCC Division of CBDT
9. Data Base Cell – for placing it on [www.irsofficersonline.gov.in](http://www.irsofficersonline.gov.in)
10. DIT (S) -4/ Web manager for placing it on [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)
11. The Guard File

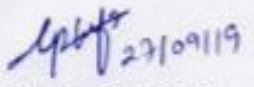
  
22/5/19  
**Under Secretary to the Government of India**

F.No.197/55/2018-ITA-I  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

North Block, New Delhi, the 27<sup>th</sup> September, 2019


**Sub: Clarification on delay in filing of Form no. 10B for AY 2016-17 and AY 2017-18 -Board's order under section 119(2) of the Income-tax Act, 1961 - reg**

In supersession of this office Circular No.10 dated 22.05.2019 on the above mentioned subject, the date mentioned in sub para (ii) of para 4 may be read as 31.03.2020 instead of 30.09.2019.

  
(Gulzar Ahmad Wani)  
DCIT (OSD) ITA-I

Copy to :-

1. PS to FM/OSD to FM/PS to MoS (R)/OSD to MoS (R)
2. PPS to Secretary(Revenue)
3. The Chairperson, Members and all other officers in CBDT of the rank of Under Secretary and above.
4. All Pr. Chief Commissioners/Pr. Director General of Income-tax/Chief Commissioner of Income-tax (Exemptions) – with a request to circulate amongst all officers in their regions/ charges.
5. Pr. DGIT (Systems) with request to rectify the orders u/s 143(1)(a) in those cases in which exemption has been denied on this issue.
6. CIT (M&TP), CBDT and Official spokesperson of CBDT.
7. The Additional Director General (PR & PP), New Delhi).
8. ITCC Division of CBDT
9. Data Base Cell – for placing it on [www.irsofficeronline.go.in](http://www.irsofficeronline.go.in)
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DCIT (OSD) ITA-I

**CIRCULAR NO. 2/2020 [F. NO. 197/55/2018-ITA-I], DATED 3-1-2020**

Under the provision of section 12A of Income-tax Act, 1961 (hereafter 'Act') where the total income of a trust or institution as computed under the Act without giving effect to the provisions of section 11 and section 12 exceeds the maximum amount which is not chargeable to income tax in any previous year, the accounts of the trust or institution for that year have to be audited by any accountant as defined in the Explanation below sub-section (2) of section 288 and the person in receipt of the income is required to furnish along with the return of income for the relevant assessment year the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed.

2. As per Rule 17B of the Income-tax Rules, 1962 (hereafter 'Rules') the audit report of the accounts of such a trust or institution is to be furnished in Form No. 10B. As per Rule 12(2) of the Rules, such audit report is to be furnished electronically. The failure to furnish such report in the prescribed form along with the return of income results in disentitlement of the trust or institution from claiming exemption under sections 11 and 12 of the Act.

3. Representations have been received by the Board/field authorities stating that Form No. 10B could not be filed along with the return of income for A.Y. 2016-17 and A.Y. 2017-18. It has been requested that the delay in filing of Form No. 10B may be condoned. Previously, vide instruction in F.No. 267/482/77-IT(part) dated 9-2-1978, the CBDT had authorized the ITO to accept a belated audit report after recording reasons in cases where some delay has occurred for reasons beyond the control of the assessee.

4. Accordingly, the CBDT issued Circular No. 10/2019 circulated through F.No. 197/55/2018-ITA-I in supersession of earlier circular/Instruction issued in this regard, and with a view to expedite the disposal of applications filed by such trust or institution for condoning the delay in filing Form No. 10B and in the exercise of the powers conferred under section 119(2) of the Act, the Central Board of Direct Taxes vide Circular No. 10/2019 dated 23rd May, 2019 and Circular No. 28/2019 dated 27th September, 2019 both issued vide F.No. 197/55/2018-ITA-I has directed that :—

- (i) The delay in filing of Form No. 10B for A.Y. 2016-17 and A.Y. 2017-18, in all such cases where the Audit Report for the previous year has been obtained before the filing of return of income and has been furnished subsequent to the filing of the return of income but before the date specified under section 139 of the Act is condoned.
- (ii) In all other cases of belated applications in filing Form No. 10B for years prior to AY. 2018-19, The commissioner of Income-tax are authorized to admit and dispose off by 31-3-2020 such applications for condonation of delay u/s 119(2)(b) of the Act. The Commissioner will while entertaining such belated applications in filing Form No. 10B shall satisfy themselves that the assessee was prevented by reasonable cause from filing such application within the stipulated time.

5. In addition to the above, it has also been decided by the CBDT that where there is delay of upto 365 days in filing Form No. 10B for Assessment Year 2018-19 or for any subsequent Assessment Years, the Commissioners of Income-tax are hereby authorized to admit such belated applications of condonation of delay under section 119(2) of the IT Act and decide on merits.

6. The Commissioners of Income-tax shall, while entertaining such belated applications in filing Form No. 10B, satisfy themselves that the assessee was prevented by reasonable cause from filing such application within the stipulated time.

**CIRCULAR NO. 3/2020 [F. NO. 197/55/2018-ITA-I], DATED 3-1-2020**

Under the provisions of Section 11 of the Income-tax Act, 1961 (hereafter 'Act') the primary condition for grant of exemption to trust or institution in respect of income derived from property held under such trust or institution is that the income derived from property held under trust or institution should be applied during the previous year, and it has to be accumulated and applied for such purposes in accordance with various conditions provided in the section.

2. The Finance Act, 2015 amended section 11 and section 13 of the Act with effect from 1-4-2016 (Assessment Year 2016-17). Consequently, Income-tax Rules, 1962 (hereafter 'Rules') were also amended vide the Income-tax (1st Amendment) Rules, 2016. As per the amended provisions of the Act read with rule 17 of the Rules, while 15% of the income can be accumulated indefinitely by the trust or institution, 85% of income can only be accumulated for a period not exceeding 5 years subject to the conditions, *inter alia*, that such person submits the prescribed Form No. 10 electronically to the Assessment Officer within the due-date specified under section 139(1) of the Act.

3. Further, where the income from property held under trust or institution applied to charitable or religious purposes falls short of 85% of the income derived during the previous year for the reason that the income has not been received during that year or any other reason, then on the exercise of the option by submitting in Form No. 9A electronically by the trust or institution on or before the due-date of furnishing the return of income, such income shall be deemed to have been applied for charitable or religious purpose.

4. Representations have been received by the Board/field authorities stating that Form No. 9A and Form No. 10 could not be filed along with the return of income starting from AY. 2016-17, which was the first year of e-filing of these forms, and for subsequent assessment years also. It has been requested that the delay in filing of Form No. 9A and Form No. 10 may be condoned under section 119(2)(b) of the Act.

5. Accordingly, in suppression of earlier Circulars/Instructions issued in this regard, with a view to expedite the disposal of application filed by the trust or institution for condoning the delay and in exercise of the powers conferred under section 119(2)(b) of the Act, the Central Board of Direct Taxes has already authorized the Commissioners of Income-tax to admit belated applications in Form No. 9A and Form No. 10 in respect of Assessment Year 2016-17 and Assessment Year 2017-18 where such Form No. 9A and Form No. 10 are filed after the expiry of the time allowed under the relevant provisions of the Act *vide* Circular No. 7/2018 dated 20-12-2018 and Circular No. 30/2019 dated 17-12-2019 both issued *vide* F.No. 197/55/2018-ITA-I.

6. In addition to the above, it has also been decided by the CBDT that where there is delay of up to 365 days in filing Form No. 9A and Form No. 10 for Assessment Year 2018-19 or for any subsequent Assessment Years, the Commissioners of Income-tax are hereby authorized to admit such belated applications of condonation of delay under section 13 9(2) of the IT Act and decide on merits.

7. The Commissioners of Income-tax shall, while entertaining such belated applications in Form No. 9A and Form No. 10, satisfy themselves that the assessee was prevented by reasonable cause from filing of applications in Form No.9A and Form No. 10 within the stipulated time. Further, in respect of Form No. 10, the Commissioners shall also satisfy themselves that the amount accumulated or set apart has been invested or deposited in any one or more of the forms or modes specified in sub-section (5) of Section 11 of the Act.

Circular No. 6 /2020

F.No.197/55/2018-ITA-I  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes  
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New Delhi, the 19 February, 2020

Sub: Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Return of Income for A.Y 2016-17, 2017-18, and 2018-19 and Form No.9A and Form No. 10.-Reg.

Representations have been received seeking condonation of delay in filing Return of Income by the Charitable Institutions for the Assessment Year 2016-17 onwards on the grounds of hardship. The Board has issued Circulars authorizing the Commissioners of Income Tax to admit belated applications of Form 9A and Form 10 and to decide on merit the condonation of delay u/s 119(2)(b) of the Income-tax Act, 1961 (Act). However, in those cases where the Income Tax Returns have also been filed beyond the due date prescribed under section 139(1) of the Act, the condonation of delay in filing of Form 9A & Form 10 by the Commissioners is not of any help to the assessee, as section 13(9) of the Act, inserted w.e.f. 01.04.2016, stipulates twin conditions of filing of Form 9A/Form 10 and also of filing Return of Income before the due date.

2. Accordingly, in continuation of earlier Circulars issued in this regard, with the view to prevent hardship to the assessee and in exercise of powers conferred under section 119(2)(b) of the Act, the CBDT has decided that where the application for condonation of delay in filing Form 9A and Form 10 has been filed, and the Return of Income has been filed on or before 31<sup>st</sup> March of the respective assessment years i.e. Assessment Years 2016-17, 2017-18 and 2018-19, the Commissioners of Income-tax (Exemptions) are authorised u/s 119(2)(b) of the Act, to admit such belated applications for condonation of delay in filing Return of Income and decide on merit.


3. For all other application for condonation of delay not mentioned above, the power of condonation of delay u/s 119(2)(b) of the Act will continue with the respective authorities as per the extant Rules and Practice.

  
(Gulzar Ahmad Wani)  
Under Secretary (ITA-I)



Copy to:-

1. PS to FM/OSD to FM/PS to MoS(R)/OSD to MoS(R)
2. PPS to Secretary(Finance)/(Revenue)
3. The Chairman, Members and all other officers in CBDT of the rank of Under Secretary and above.
4. All Pr. Chief Commissioners/Pr. Director General of Income-tax/Chief Commissioners of Income-tax (Exemptions) – with a request to circulate amongst all officers in their regions/charges.
5. Pr. DGIT(Systems)
6. The CIT(M&TP), CBDT and the Official Spokesperson of CBDT
7. The Additional Director General (PR & PP), New Delhi.
8. ITCC Division of CBDT.
9. Data Base Cell – for placing it on [www.irsolicersonline.gov.in](http://www.irsolicersonline.gov.in)
10. The DIT (S)-4/Web Manager for placing it [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)
11. The Guard File.

  
(Gulzar Ahmad Wani)  
Under Secretary (ITA-I)

F.No.197/135/2020-ITA-1  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

New Delhi, the 3<sup>rd</sup> November, 2020

**Sub: Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Form No. 10BB for Assessment Year 2016-17 and subsequent years – Reg.**

Under the provisions of section 10(23C) of Income-tax Act, 1961 (hereafter 'Act') where the total income, of the 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), without giving effect to the provisions of the said sub-clauses, exceeds the maximum amount which is not chargeable to tax in any previous year, such trust or institution or any university or other educational institution or any hospital or other medical institution shall get its accounts audited in respect of that year by an accountant as defined in the Explanation below sub-section (2) of section 288 before the specified date referred to in section 44AB and furnish by that date, the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed.

2. As per Rule 16CC of the Income-tax Rules, 1962 (hereafter 'Rules') the audit report of the accounts of such a fund or trust or institution or any university or other educational institution or any hospital or other medical institution is to be furnished in Form No. 10BB. As per Rule 12(2) of the Rules, such audit report is to be furnished electronically. The failure to furnish such report in the prescribed form along with the return results in disentitlement of such entity from claiming exemption under section 10(23C) of the Act.

3. Representations have been received by the Board/field authorities stating that Form No. 10BB could not be filed along with the return of income for AY 2016-17 and AY 2017-18. It has been requested that the delay in filing of Form No 10BB may be condoned.


4. Accordingly, with a view to expedite the disposal of applications filed by such entities for condoning the delay and in exercise of the powers conferred under section 119(2) (b) of the Act, the Central Board of Direct Taxes hereby directs that:

(i) In all the cases of belated applications in filing of Form No. 10BB for years prior to AY. 2018-19, the Commissioners of Income-tax are authorized to admit such applications for condonation of delay u/s 119(2)(b) of the Act. The Commissioner will while entertaining such applications regarding filing Form No. 10BB shall satisfy themselves that the applicant was

prevented by reasonable cause from filing such application within the stipulated time. Further, all such applications shall be disposed of by 31.03.2021.


(ii) where there is delay of upto 365 days in filing Form No. 10BB for Assessment Year 2018-19 or for any subsequent Assessment Years, the Commissioners of Income-tax are hereby authorized to admit such belated applications of condonation of delay under section 119(2) of the Income-tax Act, 1961 and decide on merits.

5. The Commissioners of Income-tax shall, while entertaining such belated applications in filing Form No. 10BB, satisfy themselves that the applicant was prevented by reasonable cause from filing such application within the stipulated time.

  
(Prajna Paramita)  
Director (ITA-I)

Copy to:-

1. PS to FM/OSD to FM/ PS to MoS (R) / OSD to MoS (R)
2. PPS to Secretary(Revenue)
3. The Chairperson, Members and all other officers in CBDT of the rank of Under Secretary and above.
4. All Pr. Chief Commissioners/ Pr. Director General of Income-tax/ Chief Commissioner of Income-tax (Exemptions) – with a request to circulate amongst all officers in their regions/ charges.
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6. The Additional Director General (PR & PP), New Delhi).
7. ITCC Division of CBDT
8. Data Base Cell – for placing it on [www.irsolicersonline.gov.in](http://www.irsolicersonline.gov.in)
9. DIT (S) -4/ Web manager for placing it on [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)
10. The Guard File.

  
(Prajna Paramita)  
Director (ITA-I)