

F.No. V.27100/379/2015-SO([NAT.COM](http://NAT.COM))



भारत सरकार  
वित्त मंत्रालय  
राजस्व विभाग  
सामाजिक और आर्थिक कल्याण की  
अभिवृद्धि के लिये राष्ट्रीय समिति

Government of India  
Ministry of Finance  
Department of Revenue  
National Committee for Promotion  
of Social and Economic Welfare

New Delhi dated the 27<sup>th</sup> March,2015.

To,  
The Trustee,  
Universal Peace Foundation ,  
Nallagoundenpalayam Paduvampalli Post ,  
Karumathampatti,  
Coimbatore ,  
Tamilnadu , India – 641 459 .

**Subject :** Notification under Section 35AC of the Income Tax Act,1961 as recommended by the National Committee for the Establishment of Orphanage towards Promotion of Social and Economic Welfare - regarding.

Sir,

I am directed to refer to your letter on the above mentioned subject and to say that on the basis of recommendations of the National Committee for Promotion of Social and Economic Welfare (Department of Revenue), New Delhi, it has been decided to approve your Association/Institution and the project for Rs.1 Crores (Rupees One Crore Only) as notified under Notification No.S.O.3846 (E) dated 27.03.2015 a copy of which is enclosed for your ready reference .

2. The approval is subject to the following conditions:

- (i) Out of total beneficiaries of the project, at least 50% beneficiaries must belong to economically weaker section of the society whose income is below Rs.18000 per annum and they should provided freeship. However, these shall not apply to cases, where the services or facilities are provided free of cost completely to all the beneficiaries.
- (ii) A complete record of such beneficiaries is maintained including their names and addresses, the nature of services provided and fee charged, if any. The record should be open for verification at any given time.
- (iii) Violation of condition may entail taxation of the entire amount of donation in the hands of the institution.



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iv) A complete record of projects undertaken, its location, specific activities done, amount spent on each activity and the assets, if any, created should be maintained for verification, if necessary.

(v) The institution would file a report from a Chartered Accountant along with the return of income of each assessment year certifying that the existing record of the Institution adequately demonstrate that 50% of total beneficiaries came from the economically weaker section of the society and the full benefits were rendered to them free of cost.

(vi) The trust should display the public notices at prominent places indicating the extent of services to be provided along with the free or concessional benefits and the facilities, which are reserved for people belonging to weaker section of the society who will not be charged any fee. The address and contact number of the office of National Committee (being the approving authority) must also be displayed.

3. In term of Rule 11K (iv) of the Income Tax Rules, 1962, the organization is required to maintain a separate account for each approved project. In addition inspection by the Income Tax Department, the account shall be open for inspection of the National Committee or any official deputed by the Committee for this purpose.

4. It may be ensured that Annual Status Report are duly submitted in respect of the approved project indicating the amount of donations collected/ received under section 35AC of the Income Tax Act, 1961; the amount spent and extent of work carried out, duly certified by a senior executive of the organisation/Institution along with photographs relating thereto, if any, in the prescribed Form 58D. The status report should be sent in a prescribed format only. Additional comments, if any, may be sent separately, but in no case, shall any annual report or performance report be accepted as substitute for the prescribed status report in form 58D. These reports have to be prepared and submitted as on 31st March of every year along with a statement of accounts, and addressed to the Secretary (National Committee) so as to reach the Secretariat of the National Committee by 31st May of every year.

5. While receiving the donations u/s 35 AC of the I.T. Act, 1961 for the notified project, it may be ensured that receipts are issued in the form 58-A/58-B. These certificates are required to issued in terms of Income Tax Rule 110 and specimen of these forms are available in the Income Tax Rule, 1962.



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6. On completion of the project or scheme a final report has also to be submitted along with a certificate from the Local Administration/ Gram Panchayat in all such cases where assets created are to be handed over to such authorities.

7. Failure to conform to these terms and conditions may result in the withdrawal of the approval of the project or scheme and also be taken note of while considering any other project or scheme submitted by an Association/Institution/Organisation. The withdrawal of approval may entail taxation of the entire amount of donation in hands of the organization.

Yours faithfully,

(Ravi Nirmal)

Section Officer (National Committee)

Copy to:-

CCIT (Coimbatore ) alongwith a copy of the notification with a request to forward the same to the CIT concerned.

Yours faithfully,

(Ravi Nirmal)

Section Officer (National Committee)