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
Room No. 17, Church Road Hutments,
North Block, New Delhi – 110001.

File No.V.27011/ 351/2014 -SO(NAT.COM)

New Delhi, the 8th December, 2015

To,

Managing Trustee,
Foundation for Promotion of Sports & Games
310, Dalamal Chambers,
3rd floor, 29, New Manine Lines,
Mumbai-400020

Subject : ***Notification under Section 35AC of the Income Tax Act,1961 as recommended by the National Committee for 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 as notified under Notification No. S.O. 3303 (E) dated 7th December,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 sections of the society whose income is below Rs.18000/- per annum and they should be provided free ship. However, this shall not apply to cases, where the services or facilities are to be 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 the fee charged, if any. The record should be open for verification at any given time.

(iii) Violation of conditions may entail taxation of the entire amount of donation in the hands of the institution.

(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 alongwith the return of income of each assessment year certifying that the existing records of the Institution adequately demonstrate that 50% of total beneficiaries came from the economically weaker sections of the society and that full benefits were rendered to them free of cost.

(vi) The trust should display 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 sections of the society who will not be charged any fee. The address and contact numbers 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 to inspection by the Income Tax Department, the accounts 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 Reports 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 the extent of work carried out, duly certified by a senior executive of the organization/Institution along with photographs relating thereto, if any, in the prescribed Form 58D. The status reports should be sent in the 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 a substitute for the prescribed status report in form 58D. These reports have to be prepared and finalized as on 31st March of every year along with a statement of accounts, and submitted so as to reach the Secretariat of the National Committee by 31st May of every year.

5. While receiving the donations u/s 35AC 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 be issued in terms of Income Tax Rule 110 and specimen of these forms is available in the Income Tax Rule, 1962.

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 were 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 will also be taken note of while considering any other project or scheme submitted by an Association/Institution/Organization. The withdrawal of approval may entail taxation of the entire amount of donation in the hands of the organization.

8. **For grant of extension of period of approval, if required, the organization/trust/institution shall apply at least three months before the expiry of the period of exemption.**

9. Receipt of this letter may please be acknowledged. Above File Number must be mentioned in future communications.

Yours faithfully,

(P.K. Jain)
Section Officer (National Committee)
Tele: 2309 2598

Copy to:-

CCIT Mumbai alongwith a copy of the notification with a request to forward the same to the jurisdictional CIT.

(P.K. Jain)
Section Officer (National Committee)
Tele: 2309 2598