

A case study on computation of income of a public charitable trust

Strictly for academic purposes - Please refer relevant statutory provisions

Compiled by: CA. Prasanth Srinivas, Kottayam

Base data

Name of the Assessee	Kochi Medical foundation, Kakkanad, Kochi - 682 030	
Constitution	Public Charitable Trust vide trust deed dated 01.04.1980	
Objects	Medical relief Relief of the poor Education Object of general public utility	
PAN	AAATT 0123 K	
Registration u/s 12AB	AAATT0123KE12153 10.03.2022 Principal CIT WEF 01.04.2021	AAATT0123KF12160 (80G)
Managing Trustee	Krishnan Subramani S/O Subramani Dob: 11.10.1970 AAAPK2140R 801423121507 (Aadhaar)	<i>Aadhaar OTP is sufficient if form 3CD is not there</i>
Enclosed	1. Income and expenditure account 2. Balance Sheet 3. Computation Statement	
Documentation from auditor side <i>(Illustrative)</i>	1. Appointment letter 2. Previous auditor communication 3. Audit engagement letter / letter regarding scope of work 4. Audit working papers 5. Comments and observations forming part of report 6. Udin / Digisign record 7. Letter of representation	

Kochi Medical foundation, Kakkanad, Kochi - 682 030

Balance Sheet as at 31.03.2023

<u>Sources of funds</u>			
		<u>31.03.2023</u>	<u>31.03.2022</u>
Own funds (including FC)	Sch 1	5,75,00,000	7,00,00,000
Bank Loan (taken after 01.04.21)	Sch 2	55,00,000	80,00,000
Payables		1,70,00,000	1,20,00,000
	Total Rs.	8,00,00,000	9,00,00,000
<u>Application of funds</u>			
		<u>31.03.2023</u>	<u>31.03.2022</u>
Fixed Assets			
Gross Block	Sch 3	5,00,00,000	4,80,00,000
Depreciation		25,00,000	30,00,000
	Rs.	4,75,00,000	4,50,00,000
Other assets			
Stock of medicines and stores		50,00,000	50,00,000
Receivables		20,00,000	20,00,000
Bank balances	Sch 4	2,50,00,000	3,75,00,000
Cash Balance		5,00,000	5,00,000
	Rs.	3,25,00,000	4,50,00,000
	Total Rs.	8,00,00,000	9,00,00,000

Kochi

17.10.2023

Krishnan Subramani

Managing Trustee

As per report of even date u/s 12A of the Income Tax Act

Kochi

18.10.2023

Auditor details and UDIN

Schedule 1 - Own Funds			
		31.03.2023	31.03.2022
Capital Fund	See	3,50,00,000	5,00,00,000
Funds Accumulated u/s 11(2)	workings	50,00,000	1,25,00,000
Corpus Fund	below	1,75,00,000	75,00,000
		<u>5,75,00,000</u>	<u>7,00,00,000</u>
		-	-

Workings vis a vis own funds				
	Opening	Addition	Deletion	Closing
Capital Fund	5,00,00,000	-1,00,00,000	50,00,000	3,50,00,000
Section 11(2) Funds	1,25,00,000	25,00,000	1,00,00,000	50,00,000
Corpus Funds	75,00,000	1,25,00,000	25,00,000	1,75,00,000
Rs.	<u>7,00,00,000</u>	<u>50,00,000</u>	<u>1,75,00,000</u>	<u>5,75,00,000</u>

Schedule 2 - Bank Loan	
Opening Balance	80,00,000
Addition	<u>30,00,000</u>
	1,10,00,000
Deletion	<u>55,00,000</u>
Rs.	<u>55,00,000</u>
	-

Schedule 3 - Fixed Assets	
Opening Balance	4,50,00,000
Addition	<u>50,00,000</u>
	5,00,00,000
Depreciation	<u>25,00,000</u>
Rs.	<u>4,75,00,000</u>

Schedule 4 - Bank Balances	
Earmarked for 11(2) Funds	50,00,000
Earmarked for Corpus Funds	1,75,00,000
Other bank balances (bal fig)	<u>25,00,000</u>
Rs.	<u>2,50,00,000</u>

Kochi Medical foundation, Kakkanad, Kochi - 682 030

Computation statement for IT Assessment Year 2023 - 24

Income

Voluntary Contributions			
10BD donations		8,00,000	
Cash greater than Rs. 2000		1,00,000	
Donations not included in Form 10BD		7,00,000	
		<u>16,00,000</u>	
Other donations	9,00,000		
Government grants	5,00,000	14,00,000	
Domestic donations		<u>30,00,000</u>	
Foreign contribution		15,00,000	45,00,000
Other receipts			
Income from main object		6,00,00,000	
Interest income		55,00,000	6,55,00,000
Corpus donation		<u>1,25,00,000</u>	
Less: Exempt u/s 11(1d)		1,25,00,000	-
		<u>Total Income (Rs.)</u>	<u>7,00,00,000</u>
		Amount to be applied @ 85% Rs.	5,95,00,000

Income Applied

Revenue expenses			
Medical relief			7,25,00,000
Relief of the poor			50,00,000
			<u>7,75,00,000</u>
Less: Applied from 11(2) funds		1,00,00,000	
Applied from corpus donation		25,00,000	
Applied from capital fund (to the extent of 15%)		50,00,000	1,75,00,000
			<u>6,00,00,000</u>
Less: Adjustments as per Expl 3 to Sec 11			
Section 40(a)(ia) - 30% of 5,00,000		1,50,000	
Section 40A(3)		1,00,000	2,50,000
			<u>5,97,50,000</u>
Less: Increase in payables			50,00,000
			<u>Revenue (Rs.)</u>
			<u>5,47,50,000</u>
Capital expenses			
Addition to Fixed Assets			50,00,000
Less: applied from loan			30,00,000
			<u>Capital (rs.)</u>
			<u>20,00,000</u>
Loan repaid		Rs.	<u>55,00,000</u>
Total Application (out of which Rs. 50 lakhs is relief of poor)		Rs.	<u>6,22,50,000</u>

Statement of Income and tax

Income			7,00,00,000
Applied	88.93%	6,22,50,000	
Accumulation u/s 11(2)	File Form 10	3.57%	25,00,000
Surplus not exceeding 15%		7.50%	52,50,000
			<u>7,00,00,000</u>
		Income (Rs.)	-
Tax due		Rs.	Nil
TDS (Refund due)			
Section 194A			5,50,000
Section 194J	(Health Insurance receipts - Disclose in 10B)		1,00,000
		Rs.	<u>6,50,000</u>