



**F.No.NC-270 /368(A)/2006**

भारत सरकार  
वित्त मन्त्रालय  
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 26<sup>th</sup> July, 2007

To,

The President,  
Social Welfare & Rural Development Society  
Village Konnagar, P.O. Ghatal, District  
Paschim Medinipur, West Bengal - 721212.

**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.**

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. 1145 (E) dated 16<sup>th</sup> July, 2007, a copy of which is enclosed for your ready reference.

- (vi) 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 freeship. 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.
- (xv) 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.
- (xvi) the trust should display public notices at prominent places indicating the extent of services to be provided alongwith the free or concessioanal 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 organisation/Institution alongwith 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 submitted as on 31<sup>st</sup> March of every year alongwith a statement of accounts, and addressed to the Secretary (National Committee) so as to reach the Secretariat of the National Committee by 31<sup>st</sup> May of every year.

5. While receiving the donations u/s 35AC of the LT. 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 are available in the Income Tax Rule,1962.

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

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/Organisation. The withdrawal of approval may entail taxation of the entire amount of donation in the hands of the organisation.

8. Receipt of this letter may please be acknowledged.

  
(Vijay Kumar)  
Director (National Committee)

Encl : As above

Copy to :-

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

  
(Vijay Kumar)  
Director (National Committee)

**[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART-II,  
SECTION 3, SUB-SECTION (iii)]**

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(Department of Revenue)**

**NOTIFICATION**

New Delhi, dated the 16<sup>th</sup> July, 2007

S.O. 1165 (E).- In exercise of the powers conferred by sub-section (1) read with clause (b) of the Explanation to section 35AC of the Income-tax Act, 1961 (43 of 1961), the Central Government on the recommendations of the National Committee for Promotion of Social and Economic Welfare, hereby approves the institutions mentioned in column (2) of the Table below and specifies the eligible projects or schemes and the estimated cost thereof as mentioned in column (3) of the said Table and also specifies in the column (4) of the Table, the maximum amount of such cost which may be allowed as deduction under the said section 35AC, namely:-

Serial Number	Name of the Institution	Project or scheme and estimated cost thereof	Maximum amount of cost to be allowed as deduction under section 35AC
(1)	(2)	(3)	(4)
1	Health foundation & Research Centre Raliyati, Dahod - 389151, Gujarat.	Up-gradation and Provision of Additional Health Care Facility and Free Ward plus free facility. Likely to cost Rs. 7.87 crores.	Rs. 7.87 crores for financial years 2007-08, 2008-09 and 2009-10, i.e., for three years only.
2	Kerala Welfare (KEXWA) Civil Station Kunnumpuram Road, P.O. Kakkanad, Kochi - 682030, Kerala.	Ex-Servicemen Sainik Ashram. likely to cost Rs. 1.65 crores	Rs. 1.65 crores for financial years 2007-08, 2008-09 and 2009-10, i.e., for three years only.
3	Sevalaya, 3, First Link Street, Karpagam Gardens, Adyar, Chennai - 600020, Tamilnadu.	Sevalaya School expenses project to meet the running expenses of the school and to build corpus fund. likely to cost Rs. 4.00 crores including a corpus fund of Rs. 3 crores.	Rs. 4.00 crores including a corpus fund of Rs. 3 crores financial years 2007-08, 2008-09 and 2009-10, i.e., for three years only.

4. Child in Need Institute, Village-Daulatpur, Pailan, Via-Joka, District Parganas(South), Kolkata - 700 104, West Bengal. P.O.- 24 Health, Nutrition and Education for Child, Adolescent and Women in Need. Likely to cost Rs. 3.76 crores. 101 years 2007-08, 2008-09 and 2009-10, i.e., for three years only.
5. Karnataka Health Institute, Ghataprabha, District Belgaum -591310, Karnataka. i) Upgradation and improvement of T.B. Sanatorium wards, special rooms and improvement of operation theatres as well as cottages (total cost Rs. 1.5 crores). Rs. 5.99 crores for financial years 2007-08, 2008-09 and 2009-10, i.e., for three years only.  
ii) Reservation of beds for poor people in T.B. Sanatorium and general hospital (total cost Rs. 2.5 crores).  
iii) Free medical treatment to the deserving poor people (total cost Rs. 3 crores). Likely to cost Rs. 5.99 crores.
6. Social Welfare & Rural Development Society, Village Konnagar, Ghatal, District Paschim Medinipur- 721212, West Bengal. P.O. Rural water supply programme through cylinder tubewells. Likely to cost Rs. 25 lakhs. Rs. 25 lakhs for financial years 2007-08, 2008-09 and 2009-10, i.e., for three years only
7. Tirunevelly Diocesan Trust Association, P.O.-161, St. Thomas Road, Palayamkottai - 627002, Tamil Nadu. Centre for the Blind. Likely to cost Rs. 2.50 crores. Rs. 2.50 crores for three 2007-08, 2008-09 and 2009-10, i.e., for three years only.

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| 8 | Naman Sewa Samiti,<br>Vikas Nagar, Athner District<br>Betul,<br>Madhya Pradesh - 460110.   | Relief and rehabilitation<br>programme for persons with<br>disabilities. Likely to cost<br>Rs,86.26 lakhs. | Rs,86.26 lakhs<br>for financial<br>years 2007-08,<br>2008-09 and<br>2009-10, i.e., for<br>three years only.  |
| 9 | Uma Educational and<br>Technical Society,<br>Uma Manovikas Nagar,<br>Behind Rayudupalem,<br>Kakinada - 533005, East<br>Godavari District,<br>Andhra Pradesh. | Early Intervention Center for<br>the Exceptional Children.<br>Likely to cost Rs. 1.43<br>crores.           | Rs. 1.43 crores<br>for financial<br>years 2007-08,<br>2008-09 and<br>2009-10, i.e., for<br>three years only. |

2. This notification shall remain in force for a period of three years in relation to financial years 2007-2008, 2008-2009 and 2009-2010 in respect of projects or schemes mentioned in the above the said Table.

[No. 1 /2007 /F.No.NC-274/ 3 /2007]

*GV*  
Vijay Kumar,  
Director (National Committee)