

CIRCULAR No.64

SUBJECT : i) Interpretation of amendment to rule 17.  
ii) Manner of submission of schedule IX-C in view of amendment of rule 32.  
iii) The date of giving effect to Government Notification, Legal department No.24330/E dated 3<sup>rd</sup> December, 1953.

The Assistant Charity Commissioner, Baroda, has raised the following three questions :

i) Whether under the recently amended rule 17, the trustee of a public trust having a gross income of Rs.1000 or less can submit schedules IX-Z and IX-B in respect of accounts of years ending before 3<sup>rd</sup> December, 1953 and whether the Regional Officer can get such schedules audited?

ii) Whether in view of the recent amendments to rule 32 it is necessary to ask the auditors to submit schedule IX-C both in the old form and in the amended form for the first accounting year ending after 3<sup>rd</sup> December, 1953?

iii) Whether it is possible to give effect to the amendments issued in Government Notification, Legal Department No.24330/E dated 3<sup>rd</sup> December, 1953 in the manner of Government Order, Legal Department No.22473/E dated 5<sup>th</sup> November, 1953?

Regarding the first question :

Government Notification, Legal Department No.24330/E dated 3<sup>rd</sup> December 1953 inter alia amending rule 17(1) and its proviso must be read with Government order, Legal Department No.22437/E dated 5<sup>th</sup> November, 1953. If it is so read, it will be clear that the option given under the old rule 17(2) continues to be effective so far as the accounts ending before 3<sup>rd</sup> December, 1953 are concerned. The trustees of public trusts having a gross annual income of Rs.1000 or less can, therefore, submit accounts for years ending before 3<sup>rd</sup> December, 1953 in the form of schedules IX-A and IX-B and the Regional Officers can take steps to get such accounts audited and such schedules converted in the form of schedules VIII, IX and IX-C.

Regarding the second question :

The exemptions from contribution granted by the recent amendments to rule 32 have no retrospective effect, they being effective only from 3<sup>rd</sup> December, 1953. It is not necessary to ask the auditors to submit schedule IX-C both in the old and the amended form for the first accounting year ending after 3<sup>rd</sup> December, 1953. In schedule IX-C, in the amended form, the auditors will have to indicate (a) income, if any, by way of donations to corpus and of donations from other public trusts received upto the 2<sup>nd</sup> December 1953 and (b) income by way of donations received from any source on or after 3<sup>rd</sup> December 1953 separately in

schedule IX-C itself or by way of a foot note to the schedule splitting up both the amounts, only for the transitory year in question. Donations other than those specified in items (i) and (ii) of the old schedule IX-C received before 3<sup>rd</sup> December, 1953 are liable to contribution.

Similarly, there will be no difficulty in showing expenses on secular education in schedule IX-C. The auditors may indicate the amount spent for the purpose of secular education imparted by a recognized institution before 3<sup>rd</sup> December 1953 and the amount spent on advancement and propagation of secular education from 3<sup>rd</sup> December, 1953 either separately in schedule IX-C itself or by way of a footnote to schedule IX-C after splitting up both the amounts.

Rule 32(i), as amended, should be interpreted on the lines indicated above. Thus, public trusts falling under the amended rule 32(1) but not under the old rule 32(i) will not be entitled to total exemption from the payment of contribution for their respective transitory years, that is, for their first accounting years ending after 3<sup>rd</sup> December, 1953.

Regarding the third question :

Amendments to the Rules are effective from the date of the Government Notification; whereas Orders of government can be directed to be brought into effect from any date. The Assistant Charity Commissioner's suggestion can not therefore be accepted.

Dated : 4<sup>th</sup> January, 1954.

D.R.PRADHAN  
Charity Commissioner, Bombay