

CIRCULAR No.69.

SUBJECT : Public trusts governed by schemes sanctioned by Court :
Procedure regarding dates of closing of accounts and
submission and audit of accounts.

Cases have been reported of conflict between the provisions of the Bombay Public Trusts Act,1950 and schemes sanctioned by Courts. They mainly relate to the dates for closing of accounts and submission and audit of accounts. Very often dates laid down in the schemes for section 33(1) and sometimes the schemes provide for the audit of the trust accounts by persons other than Chartered Accountant or person authorized under section 33(2) of the Bombay Public Trusts Act,1950.

2. If the dates for balancing the accounts differ the trustees should be advised to apply to the Charity Commissioner under section 33(1) of the Act giving justification for the retention of the date mentioned in the scheme. In the alternative, the trustees, may be advised to move the Court to amend the scheme and permit the trust to adopt any of the dates laid down under section 33(1) of the Act.

3. If a scheme sanctioned by a Court provides that the accounts of a public trust should be audited by a person appointed by the Court, the trustees should be advised to request the Court to appoint a Chartered Accountant or a person authorized under section 33(2) of the Act, as the case may be, to avoid duplication of audit and expense. If a scheme specifically provides for the audit of the trust accounts by a person other than a Chartered Accountant or a person authorized under section 33(2) of the Act, such as Deputy Nazir, Clerk of the Court. etc. the trustees should be advised to approach the Court to get the scheme suitably amended for the same reason.

4. Where a scheme provides for submission to the court of accounting returns in forms different from those prescribed under the Bombay Public Trusts Rules, 1951, or where such a practice has grown without a specific provision in the scheme, the trustees should be advised to move the Court for a suitable modification of the scheme.

Dated : 10th march, 1954

D.R.PRADHAN
Charity Commissioner,Bombay