

Circular No. 83

Subject :- Circumstances under which “offerings ” are
exempt from payment of contribution.

A question has been raised whether offerings other than those made with a specific direction that they shall form part of the corpus of the trust are liable to contribution. In explanation below section 58 of the Bombay Public Trusts Act, 1950, both the terms “donation “ and “Offerings” are included whereas rule 32 (old as well as amended) of the Bombay Public Trusts Rules , 1951.is silent about offerings. Donations and offerings are distinct from each other. It is significant to note that rule 32 does not speak of offerings and hence a reference to explanation below section 58 is required to be made in the case of offerings. Under the amended rule 32 donations received during the year from any source are exempt from payment of contribution, This amended rule however, does not state anything about offerings which means that only those offerings which are made with a specific direction that they shall form part of the corpus of the trust are exempt from the payment of contribution by virtue of explanation below section 58. In other words, amendments to rule 32 do not change the position in respect of offerings. The Regional Officers are therefore advised that unless offerings are made with a specific direction that they shall form part of the corpus of the trust, they are liable to contribution.

Dated 10th May, 1955

D. R. Pradhan,
Charity Commissioner. Bombay.