

KIND ATTN: MR. V.K. BHAT

"AAYAKAR"

Chennai



Telephone No. 82720

Post Box No. 330

GOVERNMENT OF INDIA

OFFICE OF THE DIRECTOR OF INCOME-TAX (Exemptions)  
121, MAHATHMA GANDHI SALAI, CHENNAI - 600 034.

D. I. T. (E) No. 3(15)/98-99

Date... 31.5.2000

The Registrar  
Indian Institute of Technology Madras  
Chennai

Sir,

Sub : Exemption under s.10(23C) - regarding

Please refer to your application dated 1.2.99 addressed to the Central Board of Direct Taxes, New Delhi, for the above exemption.

2. Section 10(23C)(iii ab) of the I.T. Act exempts any income received by 'any university or other educational institution existing solely for educational purposes and not for purposes of profit, and which is wholly or substantially financed by the Government'. We find from a perusal of your accounts that your institution is meeting the requirement- wholly or substantially financed by the Government. For the exemption under s.10(23C)(iiiab), no other conditions are prescribed. As such, no approval or notification is necessary for exempting your income from tax. If you need any further clarification, you may approach the undersigned.

3. In view of the above position your application addressed to the Central Board of Direct Taxes has not been forwarded.

Yours faithfully

(A. SELVARAJ)  
DIRECTOR OF INCOME TAX  
(EXEMPTIONS) CHENNAI

Copy to

1. The Additional Director of Income Tax(E) Chennai
2. The Deputy Director of Income Tax(E) IV, Chennai

CIRCULAR NO 4/2002

F.No.153/127/2002-TPL  
 Government of India  
 Ministry of Finance  
 Department of Revenue  
 Central Board of Direct Taxes  
 (TPL Division)

New Delhi, the 16<sup>th</sup> July, 2002

To,

All the Chief Commissioners/Directors General of Income-tax.

**Subject:** Requirement of tax deduction at source in case of entities whose income is exempt under section 10 of the Income-tax Act.

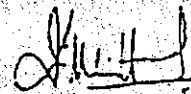
Subsequent to the amendment to section 197A made by the Finance Act 2002 whereby a new sub-section (1B) has been inserted with effect from 1<sup>st</sup> June, 2002, representations have been received seeking clarification whether the prescribed self-declaration under the said section can be submitted by entities exempt from tax under section 10 even if the payments referred to in sub-section (1A) to be made to them exceed the threshold limit not subject to tax.

2. This matter has been examined by the Board. It has been decided that in case of those funds or authorities or boards or bodies, by whatever name called, whose income is unconditionally exempt under section 10 of the Income-tax Act and who are statutorily not required to file return of income as per section 139 of the Income-tax Act there would be no requirement for tax deduction at source since their income is anyway exempt under the Income-tax Act. The institutions whose income is unconditionally exempt under section 10 and who are statutorily not required to file return of income as per the provisions of section 139 are:

- (i) "local authority" as referred in the Explanation to clause (20);
- (ii) Regimental Fund or Non-public Fund established by the armed forces of the Union referred to in clause (23AA);
- (iii) Fund, by whatever name called, set up by the Life Insurance Corporation of India on or after the 1<sup>st</sup> August, 1996 or by any other insurer referred to in clause (23AAB);
- (iv) authority (whether known as the Khadi and Village Industries Board or by any other name) referred to in clause (238B);
- (v) body or authority referred to in clause (238BA);
- (vi) SAARC Fund for Regional Projects set up by Colombo Declaration referred to in clause (238BC);
- (vii) Secretariat of the Asian Organisation of the Supreme Audit Institutions referred to in clause (238BD) till assessment year 2003-2004;

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- (viii) Insurance Regulatory and Development Authority referred to in clause (23BBE);
  - (ix) Prime Minister's National Relief Fund referred to in sub-clause (i), Prime Minister's Fund (Promotion of Folk Art) referred to in sub-clause (ii), Prime Minister's Aid to Students Fund referred to in sub-clause (iii), National Foundation for Communal Harmony referred to in sub-clause (iiia), any university or other educational institution referred to in sub-clause (iiiaa) and any hospital or other institution for the reception and treatment of persons as referred to in sub-clause (iiiaa) of clause (23C);
  - (x) Credit Guarantee Fund Trust for Small Scale Industries referred to in clause (23EB) till assessment year 2006-2007;
  - (xi) Provident fund to which the Provident Funds Act, 1925 (19 of 1925) referred to in sub-clause (i), recognised provident fund referred to in sub-clause (ii), approved superannuation funds referred to in sub-clause (iii), approved gratuity fund referred to in sub-clause (iv) and funds referred to in sub-clause (v) of clause (25);
  - (xii) Employees' State Insurance Fund referred to in clause (25A);
  - (xiii) Corporations referred to in clause (26BB);
  - (xiv) Boards referred to in clause (29A).

3. The contents of this Circular may be brought to the notice of all the officers working in your region.



(DEEPIKA MITTAL)  
Under Secretary (TPL-III)  
Tel: 3092742

Copy to:-

1. The Chairman, Members and all other officers in CBDT of the rank of Under Secretary and above.
2. The Comptroller & Auditor General of India (40 copies).
3. The IT(RS&PR) for printing in the quarterly tax bulletin and for circulation as per his usual mailing list.
4. All Directorates of Income-tax.
5. JS & Legal Advisor, Ministry of Law.
6. The DCIT (Inspection Div.), Mayur Bhawan, New Delhi.
7. All Chambers of Commerce.
8. Secretary, Settlement Commission, CIT (WT), 3<sup>rd</sup> Floor, Lok Nayak Bhawan, Khan Market, New Delhi.
9. ITCC Section, CBDT.