A case study on computation of income of a public charitable trust

Strictly for academic purposes - Please refer relevant statutory provisions

Compiled by: CA. Prasanth Srinivas, Kottayam

Base data

Name of the Assessee	Kochi Medical foundation, Kakkanad, Kochi - 682 030	
Constitution	Public Charitable Trust vide trust deed dated 01.04.1980	
Objects	Medical relief Relief of the poor Education Object of general public utility	
PAN	AAATT 0123 K	
Registration u/s 12AB	AAATT0123KE12153 10.03.2023 Principal CIT WEF 01.04.2021	AAATT0123KF12160 (80G) FCRA Regn No.
Managing Trustee	Krishnan Subramani S/O Subramani Dob: 11.10.1970 AAAPK2140R 801423121507 (Aadhaar)	*Aadhaar OTP is sufficient for filing and approving forms*
Enclosed	1. Income and expenditure account 2. Balance Sheet 3. Comments and observations forming part of report	
Documentation from auditor side *(Illustrative)*	1. Appointment letter 2. Previous auditor communication 3. Audit engagement letter / letter regarding scope of work 4. Audit working papers 5. Tax Computation Statement 6. Udin / Digisign record 7.Letter of representation	

Kochi Medical foundation, Kakkanad, Kochi - 682 030

Income and Expenditure Account for the year ended 31.03.2024

Income			
Income from Hospital			6,00,00,000
Donations received	***(Sch 1)***		25,00,000
Government grant			5,00,000
Foreign contribution received			15,00,000
Interest income			55,00,000
		Total Rs.	7,00,00,000

Expenditure		
Hospital running and maintenance *		7,25,00,000
Alms to poor and needy		50,00,000
Depreciation		25,00,000
	Total Rs.	8,00,00,000
Excess of expenditure over income	Rs.	-1,00,00,000

** includes Rs. 1,00,000 paid in cash and Rs. 5,00,000 on which TDS u/s 194J not made*

Kochi

17.09.2024

Krishnan Subramani

Managing Trustee

As per report of even date u/s 12A of the Income Tax Act

Kochi

18.09.2024

Auditor details and UDIN

Schedule 1 - Donation

		Form 10BD	Others
Through bank		7,25,000	7,00,000
Cash less than Rs. 2000		75,000	-
Cash greater than Rs. 2000		-	1,00,000
Other donations		-	9,00,000
	Rs	8,00,000	17,00,000
	Total Rs	25,00,000	

Kochi Medical foundation, Kakkanad, Kochi - 682 030

Balance Sheet as at 31.03.2024

Sources of funds			
		31.03.2024	31.03.2023
Own funds (including FC)	Sch 1	5,75,00,000	7,00,00,000
Bank Loan (taken after 01.04.21)	Sch 2	55,00,000	80,00,000
Payables		1,70,00,000	1,20,00,000
	Total Rs.	8,00,00,000	9,00,00,000

Application of funds			
		31.03.2024	31.03.2023
Fixed Assets			
Gross Block	Sch 3	5,00,00,000	4,80,00,000
Depreciation		25,00,000	30,00,000
	Rs.	4,75,00,000	4,50,00,000
Other assets			
Stock of medicines and stores		50,00,000	50,00,000
Receivables		20,00,000	20,00,000
Bank balances	Sch 4	2,50,00,000	3,75,00,000
Cash Balance		5,00,000	5,00,000
	Rs.	3,25,00,000	4,50,00,000
	Total Rs.	8,00,00,000	9,00,00,000

Kochi

17.09.2024

Krishnan Subramani

Managing Trustee

As per report of even date u/s 12A of the Income Tax Act

Kochi

18.09.2024

Auditor details and UDIN

Schedule 1 - Own Funds

		31.03.2024	31.03.2023
Capital Fund	See	3,50,00,000	5,00,00,000
Funds Accumulated u/s 11(2)	workings	50,00,000	1,25,00,000
Corpus Fund	below	1,75,00,000	75,00,000
		5,75,00,000	7,00,00,000
		-	-

Workings vis a vis own funds

	Opening	Addition	Deletion	Closing
Capital Fund	5,00,00,000	-1,00,00,000	50,00,000	3,50,00,000
Section 11(2) Funds	1,25,00,000	25,00,000	1,00,00,000	50,00,000
Corpus Funds	75,00,000	1,25,00,000	25,00,000	1,75,00,000
Rs.	7,00,00,000	50,00,000	1,75,00,000	5,75,00,000

Schedule 2 - Bank Loan

Opening Balance		80,00,000
Addition		30,00,000
		1,10,00,000
Deletion		55,00,000
	Rs.	55,00,000
		-

Schedule 3 - Fixed Assets

Opening Balance		4,50,00,000
Addition		50,00,000
		5,00,00,000
Depreciation		25,00,000
	Rs.	4,75,00,000

Schedule 4 - Bank Balances

Earmarked for 11(2) Funds		50,00,000
Earmarked for Corpus Funds		1,75,00,000
Other bank balances (bal fig)		25,00,000
	Rs.	2,50,00,000

Kochi Medical foundation, Kakkanad, Kochi - 682 030

Computation statement for IT Assessment Year 2024 - 25

Income				
Voluntary Contribuitions				
10BD donations			8,00,000	
Cash greater than Rs. 2000			1,00,000	
Donations not included in Form 10BD			7,00,000	
			16,00,000	
Other donations		9,00,000		
Government grants		5,00,000	14,00,000	
Domestic donations			30,00,000	
Foreign contribution			15,00,000	45,00,000
Other receipts				
Income from main object			6,00,00,000	
Interest income			55,00,000	6,55,00,000
Corpus donation			1,25,00,000	
Less: Exempt u/s 11(1d)			1,25,00,000	-
			Total Income (Rs.)	7,00,00,000
			Amount to be applied @ 85% Rs.	5,95,00,000
Income Applied				
Revenue expenses				
Medical relief				7,25,00,000
Relief of the poor				50,00,000
				7,75,00,000
Less:	Applied from 11(2) funds		1,00,00,000	
	Applied from corpus donation		25,00,000	
	Applied from capital fund (from early year surplus)		50,00,000	1,75,00,000
				6,00,00,000
Less:	Adjustments as per Expl 3 to Sec 11			
	Section 40(a)(ia) - 30% of 5,00,000		1,50,000	
	Section 40A(3)		1,00,000	2,50,000
				5,97,50,000
Less:	Increase in payables			50,00,000
			Revenue (Rs.)	5,47,50,000
Capital expenses				
Addition to Fixed Assets				50,00,000
Less: applied from loan				30,00,000
			Capital (rs.)	20,00,000
Loan repaid			Rs.	55,00,000
Total Application (out of which Rs. 50 lakhs is relief of poor)			Rs.	6,22,50,000
Statement of Income and tax				
Income				7,00,00,000
Applied		88.93%	6,22,50,000	
Accumulation u/s 11(2)	File Form 10	3.57%	25,00,000	
Surplus not exceeding 15%		7.50%	52,50,000	7,00,00,000
			Income (Rs.)	-
Tax due			Rs.	Nil
TDS (Refund due)				
Section 194A				5,50,000
Section 194J	(Health Insurance receipts - Disclose in 10B)			1,00,000
			Rs.	6,50,000