

Any 12A/10(23C) registered entity is eligible to avail exemption under section 11 of the Income Tax Act, 1961. The exemption under this section is an application based exemption wherein expenditure incurred by it during the financial year will be valid application of income subject to conditions specified in section 11.

However, it is to be noted that any such entity making contributions to another 12A/10(23C) registered entity towards its corpus would not be considered as valid application of income and therefore, exemption is not available for same.

Hence, the 12A/10(23C) registered organisation should refrain themselves from making inter-charity corpus donations.

DO YOU KNOW?



Inter-charity Corpus donations would not be considered as application of Income.

