



अन्न बहु कुर्वीत तद् व्रतम्

Government of Maharashtra
Mahatma Phule Krishi Vidyapeeth

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No.MPKV/COMP/Tax Exemp. Certf/ 14 /2024

Date : 05/04/2024

CERTIFICATE

(TO WHOM IT MAY CONCERN)

This is to certify that Mahatma Phule Krishi Vidyapeeth, Rahuri is established under the Maharashtra Agricultural University (SAU) Act 1983. University having PAN No. AAAGM0131R, which is substantially financed by the State & Central Government and thus the income of the University is exempted u/s 10 (23 C) (iii ab) of the Income Tax Act 1961.

As the income of this University is exempted u/s10 (23C) (iii ab) of the Income Tax Act, the Tax (TDS) may not be deducted by the payer, on amounts of any type of payment to this University, as implied in the circular No.18/2017 F.No.385/01/2015/-IT (B) dt.29/05/2017 issued by Ministry of Finance, Department of Revenue, Central Board of Direct Taxes, (GOI) New Delhi.

Comptroller
MPKV, Rahuri

CIRCULAR No. 18 /2017

F. No. 385/01/2015-IT (B)
Government of India/ भारत सरकार
Ministry of Finance/ वित्त मंत्रालय
Department of Revenue/(राजस्व विभाग)
Central Board of Direct Taxes/(केन्द्रीय प्रत्यक्ष कर बोर्ड)

North Block, New Delhi
29th May, 2017

Subject: Requirement of tax deduction at source in case of entities whose income is exempted under Section 10 of the Income-tax Act, 1961 - Exemption thereof.

The Central Board of Direct Taxes (the Board) had earlier issued Circular No. 4/2002 dated 16.07.2002 and Circular No. 7/2015 dated 23.04.2015 which laid down that in case of such entities, whose income is unconditionally exempt under Section 10 of the Income-tax Act (the Act) and who are also statutorily not required to file return of income as per Section 139 of the Act, there would be no requirement for tax deduction at source (TDS) from the payments made to them since their income is anyway exempted from tax under the Act. The issue of whether exemption from TDS can be extended to more entities on these principles and whether the exemption is needed to be withdrawn in respect of some of the exempted entities was examined by the Board.

2. Examination of the eligibility of entities for exemption from TDS on the principle of unconditional exemption and no requirement to file return revealed that Circulars No. 4/2002 and 7/2015 are required to be updated to make the following changes:

- Entities that meet both the above mentioned conditions but are not mentioned in the aforesaid Circulars need to be included in the list of exempted entities.
- Entities that are mentioned in Circular No. 4/2002 but their exemption from income tax has since been withdrawn need to be removed from the list of exempted entities.
- Entities that are mentioned in Circular No. 4/2002 but because of subsequent amendment they are now required to mandatorily file their returns of income u/s 139 need to be removed from the list of exempted entities.

3. In view of the above, a revised list of entities exempted from TDS has been drawn by adding entities in the first category listed above to the entities mentioned in Circular No. 4/2002 and Circular No. 7/2015 and removing entities in second and third categories from the list of existing entities eligible for exemption from TDS.

4. Accordingly, it has been decided that in case of below mentioned funds or authorities or Boards or bodies, by whatever name called, referred to in section 10 of the Income-tax Act, whose income is unconditionally exempt under that section and who are also statutorily not required to file return of income as per section 139 of the Income-tax Act, there would be no

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requirement for tax deduction at source, since their income is anyway exempt under the Income-tax Act -

- (i) "local authority", as referred to 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 1st 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 (23BB);
- (v) Body or authority referred to in clause (23BBA);
- (vi) SAARC Fund for Regional Projects set up by Colombo Declaration referred to in clause (23BBC);
- (vii) Insurance Regulatory and Development Authority referred to in clause (23BBE);
- (viii) Central Electricity Regulatory Commission referred to in clause (23BBG);
- (ix) Prasar Bharati referred to in clause (23BBH);
- (x) 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), Swachh Bharat Kosh referred to in sub-clause (iiiaa), Clean Ganga Fund referred to in sub-clause (iiiaaa) of clause (23C);
- (xi) Provident fund to which the Provident Funds Act, 1925 (19 of 1925) referred to in sub-clause (i), recognized 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) Agricultural Produce Marketing Committee referred to in clause (26AAB);
- (xiv) Corporation, body, institution or association established for promoting interests of members of Scheduled Castes or Scheduled Tribes or backward classes referred to in clause (26B);

- (xv) Corporation established for promoting interests of members of a minority community referred to in clause (26BB);
- (xvi) Corporation established for welfare and economic upliftment of ex-servicemen referred to in clause (26BBB);
- (xvii) New Pension System Trust referred to in clause (44).

4. This circular supersedes earlier Circulars on this issue e.g. Circular No. 4/2002 dated 16.07.2002 and Circular No. 7/2015 dated 23.04.2015 with effect from the date of issue of this Circular.

5. Hindi version shall follow.


29/5/17

(Sandeep Singh)

Under Secretary to the Govt. of India

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1. Chairman, Members and all other officers of the Central Board of Direct Taxes.
2. Pr. CCIT/ Pr. DGIT/ CCIT/ DGIT with a request to circulate the same amongst all officers in their Region / Charge.
3. Commissioner (Media & Technical Policy) and Official Spokesperson, CBDT.
4. Addl. Director General of Income-tax (PR, PP & OL)
5. Office of Comptroller & Auditor General of India.
6. ADG (Systems)-IV for uploading on the Departmental website.
7. Database Cell for uploading on the IRS Officers website.
8. Guard File.



Income Tax Department

Government of India

1183. Whether prescribed self-declaration under section 197A can be submitted by entities whose income is exempt under section 10

1. 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 1st 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 to 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 1st 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 (23BB);
- (v) Body or authority referred to in clause (23BBA);
- (vi) SAARC Fund for Regional Projects set up by Colombo Declaration referred to in clause (23BBC);
- (vii) Secretariat of the Asian Organisation of the Supreme Audit Institutions referred to in clause (23BBD) till assessment year 2003-2004;
- (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 (iii a), any university or other educational institution referred to in sub-clause (iii ab) and any hospital or other institution for the reception and treatment of persons as referred to in sub-clause (iii ac) 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).

Circular : No. 4/2002, dated 16-7-2002.

*THE INCOME-TAX ACT, 1961

ARRANGEMENT OF SECTIONS

CHAPTER I
PRELIMINARY

SECTIONS

1. Short title, extent and commencement.
2. Definitions.
3. "Previous year" defined.

CHAPTER II
BASIS OF CHARGE

4. Charge of income-tax.
5. Scope of total income.
- 5A. Apportionment of income between spouses governed by Portuguese Civil Code.
6. Residence in India.
7. Income deemed to be received.
8. Dividend income.
9. Income deemed to accrue or arise in India
- 9A. Certain activities not to constitute business connection in India.

CHAPTER III

INCOMES WHICH DO NOT FORM PART OF TOTAL INCOME

10. Incomes not included in total income.
- 10A. Special provision in respect of newly established undertakings in free trade zone, etc.
- 10AA. Special provisions in respect of newly established Units in Special Economic Zones.
- 10B. Special provisions in respect of newly established hundred per cent. export-oriented undertakings.
- 10BA. Special provisions in respect of export of certain articles or things.
- 10BB. Meaning of computer programmes in certain cases.
- 10C. Special provision in respect of certain industrial undertakings in North-Eastern Region.
11. Income from property held for charitable or religious purposes.
12. Income of trusts or institutions from contributions.
- 12A. Conditions for applicability of sections 11 and 12.
- 12AA. Procedure for registration.
13. Section 11 not to apply in certain cases.
- 13A. Special provision relating to incomes of political parties.
- 13B. Special provisions relating to voluntary contributions received by electoral trust.

* Subject to verification and confirmation by the Department.

CHAPTER IV

COMPUTATION OF TOTAL INCOME

Heads of income

SECTIONS

- 14. Heads of income.
- 14A. Expenditure incurred in relation to income not includible in total income.

A.—Salaries

- 15. Salaries.
- 16. Deductions from salaries.
- 17. “Salary”, “perquisite” and “profits in lieu of salary” defined.

B.—[Omitted]

- 18. [Omitted.]
- 19. [Omitted.]
- 20. [Omitted.]
- 21. [Omitted.]

C.—Income from house property

- 22. Income from house property.
- 23. Annual value how determined.
- 24. Deductions from income from house property.
- 25. Amounts not deductible from income from house property.
- 25A. Special provision for arrears of rent and unrealised rent received subsequently.
- 25AA. Unrealised rent received subsequently to be charged to income-tax.
- 25B. Special provision for arrears of rent received.
- 26. Property owned by co-owners.
- 27. “Owner of house property”, “annual charge”, etc., defined.

D.—Profits and gains of business or profession

- 28. Profits and gains of business or profession.
- 29. Income from profits and gains of business or profession, how computed.
- 30. Rent, rates, taxes, repairs and insurance for buildings.
- 31. Repairs and insurance of machinery, plant and furniture.
- 32. Depreciation.
- 32A. Investment allowance.
- 32AB. Investment deposit account.
- 32AC. Investment in new plant or machinery.
- 32AD. Investment in new plant or machinery in notified backward areas in certain States.
- 33. Development rebate.
- 33A. Development allowance.
- 33AB. Tea development account, coffee development account and rubber development account.

¹[(23BBG) any income of the Central Electricity Regulatory Commission constituted under sub-section (I) of section 76 of the Electricity Act, 2003 (36 of 2003);]

²[(23BBH) any income of the Prasar Bharati (Broadcasting Corporation of India) established under sub-section (I) of section 3 of the Prasar Bharati (Broadcasting Corporation of India) Act, 1990 (25 of 1990);]

³[(23C) any income received by any person on behalf of—

(i) the Prime Minister's National Relief Fund; or

(ii) the Prime Minister's Fund (Promotion of Folk Art); or

(iii) the Prime Minister's Aid to Students Fund; or

⁴[(iiia) the National Foundation for Communal Harmony; or]

⁵[(iiiaa) the Swachh Bharat Kosh, set up by the Central Government; or

(iiiaaa) the Clean Ganga Fund, set up by the Central Government; or]

⁶[(iiiaaaa) the Chief Minister's Relief Fund or the Lieutenant Governor's Relief Fund in respect of any State or Union territory as referred to in sub-clause (iiihf) of clause (a) of sub-section (2) of section 80G; or

⁷[(iiiab) 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; or

(iiiac) any hospital or other institution for the reception and treatment of persons suffering from illness or mental defectiveness or for the reception and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation, existing solely for philanthropic purposes and not for purposes of profit, and which is wholly or substantially financed by the Government.

⁸[Explanation.—For the purposes of sub-clauses (iiiab) and (iiiac), any university or other educational institution, hospital or other institution referred therein, shall be considered as being substantially financed by the Government for any previous year, if the Government grant to such university or other educational institution, hospital or other institution exceeds such percentage of the total receipts including any voluntary contributions, as may be prescribed, of such university or other educational institution, hospital or other institution, as the case may be, during the relevant previous year;] or

(iiiaad) any university or other educational institution existing solely for educational purposes and not for purposes of profit if the aggregate annual receipts of such university or educational institution do not exceed the amount of annual receipts as may be prescribed; or

(iiiaae) any hospital or other institution for the reception and treatment of persons suffering from illness or mental defectiveness or for the reception and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation, existing solely for philanthropic purposes and not for purposes of profit, if the aggregate annual receipts of such hospital or institution do not exceed the amount of annual receipts as may be prescribed; or]

1. Ins. by Act 22 of 2007, s. 6 (w.e.f. 1-4-2008).

2. Ins. by Act 23 of 2012, s. 5 (w.e.f. 1-4-2013).

3. Ins. by Act 41 of 1975, s. 3 (w.e.f. 1-4-1976).

4. Ins. by Act 38 of 1993, s. 3 (w.e.f. 1-4-1993).

5. Ins. by Act 20 of 2015, s. 7 (w.e.f. 1-4-2015).

6. Ins. by Act 7 of 2017, s. 6 (w.e.f. 1-4-1998).

7. Ins. by Act 21 of 1998, s. 5 (w.e.f. 1-4-1999).

8. Ins. by Act 25 of 2014, s. 5 (w.e.f. 1-4-2015).

¹[(*iv*) any other fund or institution established for charitable purposes ²[which may be approved by the prescribed authority], having regard to the objects of the fund or institution and its importance throughout India or throughout any State or States; or

(*v*) any trust (including any other legal obligation) or institution wholly for public religious purposes or wholly for public religious and charitable purposes, ²[which may be approved by the prescribed authority], having regard to the manner in which the affairs of the trust or institution are administered and supervised for ensuring that the income accruing thereto is properly applied for the objects thereof;

³[(*vi*) any university or other educational institution existing solely for educational purposes and not for purposes of profit, other than those mentioned in sub-clause (*iiiab*) or sub-clause (*iiiaa*) and which may be approved by the prescribed authority; or

(*via*) any hospital or other institution for the reception and treatment of persons suffering from illness or mental defectiveness or for the reception and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation, existing solely for philanthropic purposes and not for purposes of profit, other than those mentioned in sub-clause (*iiiaa*) or sub-clause (*iiiaa*) and which may be approved by the prescribed authority:]

Provided that the fund or trust or institution ³[or any university or other educational institution or any hospital or other medical institution] referred to in sub-clause (*iv*) or sub-clause (*v*) ³[or sub-clause (*vi*) or sub-clause (*via*)] shall make an application in the prescribed form and manner to the prescribed authority for the purpose of grant of the exemption, or continuance thereof, under sub-clause (*iv*) or sub-clause (*v*) ³[or sub-clause (*vi*) or sub-clause (*via*)]:

⁴[Provided further that the prescribed authority, before approving any fund or trust or institution or any university or other educational institution or any hospital or other medical institution, under sub-clause (*iv*) or sub-clause (*v*) or sub-clause (*vi*) or sub-clause (*via*), may call for such documents (including audited annual accounts) or information from the fund or trust or institution or any university or other educational institution or any hospital or other medical institution, as the case may be, as it thinks necessary in order to satisfy itself about the genuineness of the activities of such fund or trust or institution or any university or other educational institution or any hospital or other medical institution, as the case may be, and the prescribed authority may also make such inquiries as it deems necessary in this behalf:]

Provided also that the fund or trust or institution ³[or any university or other educational institution or any hospital or other medical institution] referred to in sub-clause (*iv*) or sub-clause (*v*) ³[or sub-clause (*vi*) or sub-clause (*via*)]—

¹[(*a*) applies its income, or accumulates it for application, wholly and exclusively to the objects for which it is established and in a case where more than fifteen per cent. of its income is accumulated on or after the 1st day of April, 2002, the period of the accumulation of the amount exceeding fifteen per cent. of its income shall in no case exceed five years; and]

1. Subs. by Act 3 of 1989, s. 4, for sub-clauses (*iv*) and (*v*) (w.e.f. 1-4-1990).

2. Subs. by Act 22 of 2007, s. 6, for "which may be notified by the Central Government in the Official Gazette." (w.e.f. 1-6-2007)

3. Ins. by Act 21 of 1998, s. 5 (w.e.f. 1-4-1999).

4. Subs. by Act 22 of 2007, s. 6, for the proviso (w.e.f. 1-6-2007).

5. Subs. by Act 20 of 2002, s. 4, for clause (*a*) (w.e.f. 1-4-2003).