

**FORM NO. 10B**

[See rule 17B]

**Audit report under section 12A(b) of the Income-tax Act, 1961, in the case of  
charitable or religious trusts or institutions -**

\*I/We have examined the balance sheet of..... as at .....  
[name of the *trust* or institution]

and the profit and loss account for the year ended on that date which are in agreement with the books of account maintained by the said trust or institution.

\*I/We have obtained all the information and explanations which to the best of \*my/our knowledge and belief were necessary for the purposes of the audit. In \*my/our opinion, proper books of account have been kept by the head office and the branches of the above-named \*trust/institution visited by \*me/us so far as appears from \*my/our examination of the books, and proper returns adequate for the purposes of audit have been received from branches not visited by \*me/us, subject to the comments given below:

In \*my/our opinion and to the best of \*my/our information, and according to information given to \*me/us, the said accounts give a true and fair view—

- (i) in the case of the balance sheet, of the state of affairs of the above named \*trust/ institution as at....., and
- (ii) in the case of the profit and loss account, of the profit or loss of its accounting year ending on.....

The prescribed particulars are annexed hereto.

Place.....

.....

Date.....

Signed

.....

Accountant<sup>s</sup>

**Notes:**

1. \*Strikeout whichever is not applicable.
2. <sup>s</sup>This report has to be given by-
  - (i) a chartered accountant within the meaning of the Chartered Accountants Act, 1949 (38 of 1949); or
  - (ii) any person who, in relation to any State, is, by virtue of the provisions of sub-section (2) of section 226 of the Companies Act, 1956(1 of 1956), entitled to be appointed to act as an auditor of the company registered in that State.
3. Where any of the matters stated in this report is answered in the negative, or with a qualification, the report shall state the reasons for the same.

*ANNEXURE*

**STATEMENT OF PARTICULARS**

**1. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSES**

1. Amount of income of the previous year applied to charitable or religious purposes in India during that year .....
2. Whether the trust/institution\* has exercised the option under clause (2) of the Explanation to section 11(1)? If so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous year .....

3. Amount of income  $\frac{\text{accumulated or set apart}^*}{\text{finally set apart}}$  for application to charitable or religious purposes, to the extent it does not exceed 25 per cent of the income derived from property held under trust  $\frac{\text{wholly}^*}{\text{in part only}}$  for such purposes. ....
4. Amount of income eligible for exemption under section 11(1)(c) (Give details) .....
5. Amount of income, in addition to the amount referred to in item 3 above, accumulated or set apart for specified purposes under section 11(2) .....
6. Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2)(b)? If so, the details thereof .....
7. Whether any part of the income in respect of which an option was exercised under clause (2) of the Explanation to section 11(1) in any earlier year is deemed to be income of the previous year under section 11(1B) ? If so, the details thereof .....
8. Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier year— .....
- (a) has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or .....
- (b) has ceased to remain invested in any security referred to in section 11(2)(b)(i) or deposited in any account referred to in section 11(2)(b)(ii) or section 11(2)(b)(iii), or .....
- (c) has not been utilised for purposes for which it was accumulated or set apart during the period for which it was to be accumulated or set apart, or in the year immediately following the expiry thereof? If so, the details thereof .....

**II. APPLICATION OR USE OF INCOME OR PROPERTY  
FOR THE BENEFIT OF PERSONS REFERRED  
TO IN SECTION 13(3)**

1. Whether any part of the income or property of the \*trust/ institution was lent, or continues to be lent, in the previous year to any person referred to in section 13(3) (hereinafter referred to in this Annexure as such person)? If so, give details of the amount, rate of interest charged and the nature of security, if any .....
2. Whether any land, building or other property of the \*trust/ institution was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charged, if any .....

3. Whether any payment was made to any such person during the previous year by way of salary, allowance or otherwise? If so, give details .....
4. Whether the services of the \*trust/institution were made available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any .....
5. Whether any share, security or other property was purchased by or on behalf of the \*trust/institution during the previous year from any such person? If so, give details thereof together with the consideration paid .....
6. Whether any share, security or other property was sold by or on behalf of the \*trust/institution during the previous year to any such person? If so, give details thereof together with the consideration received .....
7. Whether any income or property of the \*trust/institution was diverted during the previous year in favour of any such person? If so, give details thereof together with the amount of income or value of property so diverted .....
8. Whether the income or property of the \*trust/institution was used or applied during the previous year for the benefit of any such person in any other manner? If so, give details .....

\* Strike out whichever is not applicable.

**III. INVESTMENTS HELD AT ANY TIME DURING THE PREVIOUS YEAR(S) IN CONCERNS  
IN WHICH PERSONS REFERRED TO IN SECTION 13(3) HAVE A  
SUBSTANTIAL INTEREST**

<i>SL No.</i>	<i>Name and address of the concern</i>	<i>Where the concern is a company number and class of shares held</i>	<i>Nominal value of the investment</i>	<i>Income from the investment</i>	<i>Whether the amount in col 4 exceeded 5 per cent of the capital of the concern during the previous year-say, Yes/No</i>
1	2	3	4	5	6
<b>TOTAL</b>					

Place.....

Date.....

.....

*Signed  
Accountant*