

# Trusts, Institutions can Correct their Audit Report by March 31: CBDT

**NEW DELHI:** The CBDT has asked trusts and institutions to file updated audit report by March 31. The move came after it was found that a large number of trusts that had received foreign donations had either not filed the audit report or filed it in wrong format. The board on Tuesday said that non-furnishing of audit reports in the prescribed form



would result in denial of exemption in such cases, as it is one of the conditions which is required to be satisfied for claim of exemption.

“CBDT's decision to allow entities to rectify audit reports will streamline compliance for affected taxpayers and facilitate a smooth transition to the new reporting requirements,” Amita Jivrajani, director, Nangia Andersen India. From April 1, 2023, the centre has changed the criteria for trust and institutes whose accounts are required to be audited. The finance bill made it mandatory for all institutions receiving any foreign grant or donation to file an audit report. Also it issued two separate forms 10B and 10BB which were to be selected on the basis of whether a taxpayer opts for the old tax regime or the new tax regime. **OUR BUREAU**



# Allows trusts, institutions to furnish audit report for AY24 by March 31

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Hospital, educational institutions, trusts, funds, etc, will need to file audit reports for Assessment Year 2023-24 by March 31 to claim tax exemption, the Central Board of Direct Taxes (CBDT) said on Tuesday. Earlier, the due date was October 31.

The board noted that in a number of cases, the trusts/institutions have furnished audit report in Form 10B as against 10BB and vice versa.

“Non-furnishing of audit report in the prescribed form would result in denial of exemption in such cases, as it is one of the conditions which

is required to be satisfied for claim of exemption. The denial of exemption on this account may result in creation of tax demand,” the Board said. Now, all these trusts or institutions have been given time till March 31 to furnish the audit report in the applicable forms.

Commenting on the latest move, Amita Jivrajani, Director, Nangia Andersen India, said the overhauling of the audit report format has resulted in widespread confusion among taxpayers.. One of the potential concerns stemming out of an incorrect selection of the audit report is the denial of exemption under Section 11 and Section 12 of the Income Tax Act, 1961.