

Handbook on Cooperative Society & Non Profit Organisations



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

Handbook on Cooperative Society & Non Profit Organisations

DISCLAIMER:

The views expressed in this Guide are those of author(s). The Institute of Chartered Accountants of India may not necessarily subscribe to the views expressed by the author(s).



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

© The Institute of Chartered Accountants of India

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form, or by any means, electronic mechanical, photocopying, recording, or otherwise, without prior permission, in writing, from the publisher.

Edition : January, 2013

Committee/Department : Committee for Co-operatives & NPO Sectors
(CCONPO)

E-mail : congos@icai.org

Website : www.icai.org

Price : ₹ 75/-

ISBN : 978-81-8441- 596-4

Published by : The Publication Department on behalf of the
Institute of Chartered Accountants of India,
ICAI Bhawan, Post Box No. 7100, Indraprastha
Marg, New Delhi - 110 002.

Printed by : Sahitya Bhawan Publications, Hospital Road,
Agra - 282 003.

January/2013/1,000 Copies

Foreword

In a country like India, which is the world's largest democracy, the seventh largest country in terms of land area and the second most populous country in the world, NGOs play a significant role. The relevance of NGO as a concept in theory and in practice, as a vibrant means of ensuring that the concerns of the citizens of this country are protected, can hardly be over-emphasized. The Constitution of India provides an extraordinary source of valuable fundamental rights for the protection of the rights of individuals. It is these rights, coupled with the Directive Principles of State Policy that are relied upon by NGOs in their pivotal role in supporting individuals for the enforcement of their rights in India.

The principle of cooperation is part and parcel of Indian culture. The pages of Indian history cite many evidences of co-operative activities from earliest times.

I am pleased that the Committee for Cooperatives & NPO Sectors, a non-standing committee of the Institute of Chartered Accountants of India, has come up with a new publication with the nomenclature 'Handbook on Cooperative Societies and for Non-profit-organizations'. The Handbook outlines the basic legal, organizational, financial and accounting issues regarding the start up and ongoing operations of the cooperative societies and non-profit organizations.

I congratulate CA. Vijay Kumar Garg, Chairman, Committee for Cooperatives & NPO Sectors, CA. V. Murali, Vice-Chairman and all other member of the committee for their uniting efforts in raising the public awareness in the area of Cooperatives & NPO Sectors.

I am sure that this Handbook of the compendium would be found extremely useful by the members and other interested readers.

Date: Jan. 18, 2012
Place: Delhi

CA. Jaydeep Narendra Shah
President, ICAI

Preface

India has a long history and tradition of voluntary action. In the contemporary time the role of voluntary organizations, commonly known as NPOs has been recognized as indispensable in the process of overall development of the economy.

For the betterment of society, it is imperative to work in tandem with other professionals, cohesively to achieve our common goals. This handbook has been designed to present regulation and tax information of generalized nature to non-profit organizations and cooperatives.

I wish to extend my sincere thanks to CA. Raghav Gupta, who prepared the basic draft of this publication.

I compliment the members of Committee for Co-operative & NPO sectors for their valuable suggestions and comments.

I also thank CA. Jaydeep Narendra Shah, President, ICAI and CA. Subodh Kumar Agrawal, Vice-President, ICAI for their able guidance.

I wish to extend my sincere thanks to Dr. Amit Kumar Agrawal, Secretary, CCONPO and CA. Ashish Tiwari, Executive Officer, CA. Aakansha Nigam & CA. Deepika Agrawal, Management Trainees, CCONPO who were instrumental in giving final shape to this document.

I firmly believe this publication would be of great help for those engaged with Cooperatives & NPO Sectors and benefit the readers at large.

Date: Jan. 23, 2012

Place: Delhi

CA. Vijay Kumar Garg,

Chairman

Committee for Co-operative & NPO sectors (CCONPO)

Table of Contents

<i>Foreword</i>	iii
<i>Preface</i>	v
Chapter 1 Introduction	1
Chapter 2 Definitions	10
Chapter 3 Forms of Cooperative Societies and NPOs	11
Chapter 4 Comparison Chart	12
Chapter 5 Registration Procedure	14
Chapter 6 Compliance	21
Chapter 7 Acts Applicable	25
Chapter 8 Fund Raising for NPOs	41
Chapter 9 Funds Raising for Co-Operative Societies	45
Chapter 10 Accounting Framework for NPOs	46
Chapter 11 Accounts and Books – Co-operative Society	50
Chapter 12 Fund Based Accounting	52
Chapter 13 Provision of Conversion or Reconversion of Cooperative Societies into Producer Companies	56
Chapter 14 Important Links and Web Sites	58
<i>Appendices</i>	
Form 1 for Multi-state-Co-operative Society	73
Form 49 A (PAN application)	75
Form 49 B (TAN application)	81
Form 10 A	87
Form 10 G	89
Form 56 D	92
Taxation related provisions for Cooperative and NPOs	96

Handbook of Cooperative Society & Non Profit Organisations

Applicability of Accounting Standards	97
Applicability of SAS on Co-Operatives and NPOs	98
The-Constitution-97th-Amendment-Act-2011	101

Chapter 1

Introduction

1.1 Co-Operative Society

Cooperative technique in our country is as old as human history. Kautilya's Arthashastra maintains that during the days of Mauryan Empire, a village functioned as a social cooperative unit. Works of public utility such as temples, public halls, nesting places, dams etc. were constructed by the villagers as a common obligation. Autonomous guides of workmen and industrial units existed where work was carried on in a cooperative manner.

A co-operative society is a special type of business organisation different from other forms of organisation. The term co-operation is derived from the Latin word co-operari, where the word co means 'with' and operari means 'to work'. Thus, co-operation means working together. So those who want to work together with some common economic objective can form a society which is termed as "co-operative society". It is a voluntary association of persons who work together to promote their economic interest. It works on the principle of self-help as well as mutual help. The main objective is to provide support to the members. Nobody joins a cooperative society to earn profit. People come forward as a group, pool their individual resources, utilise them in the best possible manner, and derive some common benefit out of it.

Cooperative Society means an institution register with Indian Co-operative Societies Act, 1912 or Relevant Acts of States.

It is an association of persons who voluntarily pool their resources for utilizing them for the mutual welfare of members itself. Cooperative society is formed for the promotion of thrift, self-help and mutual assistance of the members.

In law, a corporation is an artificial person or a legal entity having an independent existence, separate and distinct from that of its members. The corporation owns property in its own name, acquires rights, obligations and liabilities, enters into contracts and agreements and has the capacity to sue and be sued as would a natural person.

Thus, for example, a corporation may be insolvent while its individual members may be wealthy. As a separate legal entity a corporation is not affected by

changes in its membership and its existence continues in perpetuity unless its members or the government take steps to dissolve it.

The officers and members do not “own” the corporation, nor do they have any right of ownership to any particular asset of the corporation.

The Seven Cooperative Principles are guidelines by which Cooperatives put their values into practice.

- 1) Voluntary and Open Membership
- 2) Democratic Member Control
- 3) Member Economic Participation
- 4) Autonomy and Independence
- 5) Education, Training and Information
- 6) Cooperation among Cooperatives
- 7) Concern for community

In certain circumstances, a Not-for-profit corporation may engage in activities that are revenue producing and that produce a surplus, or “profit”. However, such activities must be incidental to the principal objects of the corporation and in furtherance of the principal objects. For example, a hockey club may hold a dance to raise funds for new uniforms for the team. If, after paying the expenses, the dance produces a “profit”, the monies belong to the club and must be used for the benefit of the club (i.e. to purchase new uniforms for its team).

Cooperatives as business enterprise possess some basic interests such as ownership and control but these interests are directly vested in the hands of the user. Therefore, they follow certain broad values other than those associated purely with profit-making. Need for profitability is balanced by the needs of the members and the wider interest of the community. The values universally recognized as cornerstones of cooperative behavior are self-help, democracy, equality, equity and solidarity. Voluntary and open membership, democratic control, economic participation, autonomy, training and information and concern for community are the overarching features by which the cooperatives put their values into practice. The Indian Cooperative sector completed 108 years of its existence in 2012. **It was born during the later part of the colonial era’ predominantly as a Government initiative to address the twin issues of farmers’ indebtedness and poverty.** This initiative was formalized in a legislation enacted in 1904 entitled the “Cooperative Credit Societies Act, 1904. With the presence in practically all walks of rural life and a coverage spanning

almost all villages of the country, the cooperatives have come to be recognized as one of the most important economic and social organizations in the nation's life. Cooperatives are meant to be enterprises of the citizens and it is envisaged that a vibrant and robust cooperative movement can significantly contribute in harnessing the positive potential of social capital for the greater good of society.

There are around 5.03 Lakh Cooperatives, a membership of 210 Million, a 100% rural network, 67% coverage of Rural Households, 46.31% of Agricultural Credit, 23.5% of Fertilizer Production, 51% of Oil Marketed, 55% of Handlooms and 62.5% of storage facility at village level. There are 21 National Level Cooperative Federations, 361 State Level Cooperative Federations and 2572 District Level Cooperative Federations in the Country now. There is no sphere of economic activity which is left untouched by Cooperation.

Non-Profit Organisations

A non-profit organization (NPO) is a group of persons or of societies, freely created by private initiative. An incorporated organization which exists for educational or charitable reasons, and from which its shareholders or trustees do not benefit financially. Any money earned must be retained by the organization, and used for its own expenses, operations, and programs. Many non-profit organizations also seek tax exempt status.

The features of Non-profit organisations are:

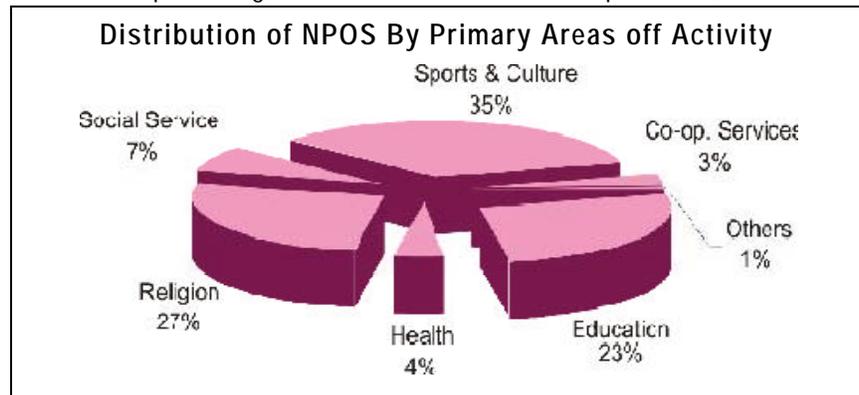
- (a) exist independently of the State i.e. they are self-governing, not controlled by the government.
- (b) are self-governed by a Board of trustees or 'managing committee'/ governing council, comprising individuals who generally serve in a fiduciary capacity;
- (c) produce benefits for others, generally outside the membership of the organisation; and
- (d) are 'non-profit-making', in as much as they are prohibited from distributing a Monetary residual to their own members.

A NPO can be a registered NPO or an unregistered NPO. However it is wise for an NPO to get registered under any of the applicable laws in order to facilitate easy inflow of funds and grants and to receive governmental support.

In India Non-profit / Public charitable organisations can be registered as -:

1. As a charitable trust, by formulating a trust deed

2. As a society under the Societies Registration Act or
3. Companies registered under section-25 of Companies act, 1956.



1.2.1 Trust

The Central law governing a trust is the **Trust Act 1882**. State governments might enact their own law to govern trusts in the model of the Central Act. Some State governments have enacted separate trust laws. In the absence of a State law, the general set of principles of the Indian Trusts Act 1882 become applicable.

Generally, there are **two types** of trusts in India:

Private trusts

and

Public trusts.

Indian Trusts Act does not apply to public trusts which can be formed by any person under general law. Under the Hindu Law, any Hindu can create a Hindu endowment and under the Muslim law, any Muslim can create a public wakf. Public Trusts are essentially of charitable or religious nature, and can be constituted by any person.

Public trusts are classified into charitable and religious trusts. The Charitable and Religious Trusts Act, 1920, the Religious Endowments Act, 1863, the Charitable Endowments Act, 1890, the Societies Registration Act, 1860, and the Bombay Public Trust Act, 1950 are the relevant legislations for the recognition and enforceability of public trusts.

Furthermore, trusts can also be used as pooling vehicles for investments, such as mutual funds and venture capital funds. These trusts are governed by a

separate set of regulations: the Securities and Exchange Board of India (Mutual Funds) Regulations and Securities and Exchange Board of India (Venture Capital Funds) Regulations.

Trust as defined under section 3 of the Trust Act, 1882 is "*an obligation annexed to the ownership of property and arising out of a confidence reposed in and accepted by the owner, or declared and accepted by him, for the benefit of another or of another and the owner.*"

In other words it refers to handover of property (movable as well as immovable) by the owner to another for the welfare of the third person alone or the owner and the third person or it can be said to be a declaration by the owner, to hold the property not for him and the other. In the Indian context, Trusts account for the second most popular form of registration.

Further, Section 2(15) of the Income Tax Act – which is applicable uniformly throughout the Republic of India – defines 'charitable purpose' to include 'relief of the poor, education, medical relief and the advancement of any other object of general public utility'. A purpose that relates exclusively to religious teaching or worship is not considered as charitable. Thus, in ascertaining whether a purpose is public or private, one has to see if the class to be benefited, or from which the beneficiaries are to be selected, constitute a substantial body of the public. A public charitable purpose has to benefit a sufficiently large section of the public as distinguished from specified individuals. Organisations which lack the public element – such as trusts for the benefit of workmen or employees of a company, however numerous – have not been held to be charitable. As long as the beneficiaries of the organisation comprise an uncertain and fluctuating body of the public answering a particular description, the fact that the beneficiaries may belong to a certain religious faith, or a sect of persons of a certain religious persuasion, would not affect the organisation's 'public' character.

A trust may be created for any lawful purpose. The purpose of a trust is lawful unless it is:-

- a) Forbidden by law, or
- b) Is of such a nature that, if permitted, it would defeat the Provisions of any law, or
- c) is fraudulent, or
- d) Involves or implies injury to the person or property of another, or
- e) The Court regards it as immoral or opposed to public policy.

Every trust of which the purpose is unlawful is void. And where a trust is created for two purposes, of which one is lawful and the other unlawful and the two purposes cannot be separated, the whole trust is void.

The subject-matter of a trust must be property (movable and immovable) transferable to the beneficiary. It must not be merely beneficial interest under a subsisting trust.

The following are the constituents of a trust:

- (i) An author or a settler who would keep aside a significant property for the welfare of the beneficiaries. The Trust Act defines an author of the trust as the person who reposes or declares the confidence.
- (ii) One or more trustees who would undertake the responsibility to manage the property set aside by the author for the welfare of the beneficiaries. The Trust Act defines a trustee as "the person who accepts the confidence."
- (iii) One or more beneficiaries for whose welfare the trust is created. The Trust Act defines "the 'beneficial interest' or 'interest' of the beneficiary as his right against the trustee as owner of the trust-property".

The main instrument of any public charitable trust is the **TRUST DEED**, wherein the aims and objects and mode of management (of the trust) should be enshrined. In every trust deed, the minimum and maximum number of trustees has to be specified. The trust deed should clearly spell out the aims and objects of the trust, how the trust should be managed, how other trustees may be appointed or removed, etc. The trust deed should be signed by both the settler/s and trustee/s in the presence of two witnesses. The trust deed should be executed on non-judicial stamp paper, the value of which would depend on the valuation of the trust property.

A trust needs a minimum of two trustees; there is no upper limit to the number of trustees. The Board of Management comprises the trustees.

1.2.2 Societies

Societies are registered under the Societies Registration Act, 1860, which is a Central Act. Each State Government may have its own act for registration of a society

In certain States, which have a Charity Commissioner, the society must not only be registered under the Societies Registration Act, but also, additionally, under the Bombay Public Trusts Act.

Any seven or more persons associated for any literary, scientific, or charitable purpose can form a society.

According to section 20 of the Societies Registration Act, 1860 the following societies can be registered under the Act:

- a) charitable societies,
- b) military orphan funds or societies established at the several presidencies of India,
- c) societies established for the promotion of science, literature, or the fine arts, for instruction, the diffusion of useful knowledge, the diffusion of political education, the foundation or maintenance of libraries or reading rooms for general use among the members or open to the public, or public museums and galleries of paintings and other works of art, collection of natural history, mechanical and philosophical inventions, instruments or designs.

The main instrument of any society is:

- a) Memorandum of association, **and**
- b) Rules and regulations (**NO STAMP PAPER REQUIRED**), wherein the aims and objects and mode of management (of the society) should be enshrined.

Memorandum of association is the charter of the society. The memorandum of association should contain the following clauses:

- (i) The name of the society;
- (ii) The objects of the society;
- (iii) The names, addresses, and occupations of the governors, Council, Directors, Committee, or other governing body to whom, by the rules of the society, the management of its affairs is entrusted., and
- (iv) The names and addresses of the persons (at least seven) subscribing to the memorandum

The signatures of the subscribers should be duly witnessed and attested by the Oath Commissioner/Notary Public/Gazetted Officer/ Advocate/Chartered Accountant/1st Class Magistrate.

The governing body of the society shall be the governors, council, directors, committee, trustees, or other body to whom by the rules and regulations of the society the management of its affairs is entrusted.

The Rules and Regulations provide for the appointment of members of the governing body.

A Society needs a minimum of seven managing committee members; there is no upper limit to the number of managing committee members. The Board of Management is in the form of a governing body or council or a managing or executive committee.

1.2.3 Companies Registered U/S 25 Of Companies Act 1956

Grant of licence under section 25 and Registration as Company for New Associations:

An NPO can also be registered as a company licensed under section 25 of the Companies Act. Under section 25 of the Companies Act 1956. the Central Government may issue a licence to an association directing that the association may be registered as a company with limited liability, without the addition to its name of the word Limited or the words Private Limited.

The Central Government issues the licence provided it is satisfied that the association,

- (a) is about to be formed as a limited company for promoting commerce, art, science, religion, charity or any other useful object, and
- (b) Intends to apply its profits, if any, or other income in promoting its objects, and to prohibit the payment of any dividend to its members.

A licence may be granted by the Central Government on such conditions and subject to such regulations as it thinks fit and those conditions and regulations shall be binding on the body to which the licence is granted.

On receipt of the licence, the association may be registered as a company and on registration shall enjoy all the privileges, and be subject to all the obligations, of limited companies.

Grant of licence to an existing limited company (Rule 1 to 19 of Companies Regulation 1956)

The Central Government may issue such a licence to an existing company. It shall not be necessary for a body to which a licence is so granted to use the word Limited or the words Private Limited in any part of its name, and, unless its articles otherwise provide, such body shall, if the Central Government by general or special order so directs and to the extent specified in the directions, be exempt from such of the provisions of this Act as may be specified therein. The licence may at any time be revoked by the Central Government.

Chapter 2

Definitions

Co-Operative Society

A co-operative society is a voluntary association started with the aim of service of its members. It is a form of business where individuals belonging to the same class join their hands for the promotion of their common goals.

Section 4, of the Indian Co-operative Societies Act, 1912 defines a cooperative "as a society which has its objective the promotion of economic interest of its members in accordance with co-operative principles".

Non-Profit-Organisations (NPO's)

The World Bank defines NPOs as "private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development". The World Bank further classifies operational NPOs into three main groups:

Community-Based Organisations (CBOs) – these serve a specific population in a narrow geographical area in individual developing countries.

National Organisations – these operate in developing countries.

International Organisations – these are typically headquartered in developed countries and carry out operations in more than one developing country.

The term NPO is thus very broad and encompasses many different types of organizations. Further, NPOs range from large international charities, to community-based self-help groups.

Chapter 3 Types/Forms of Cooperative Societies and NPOs

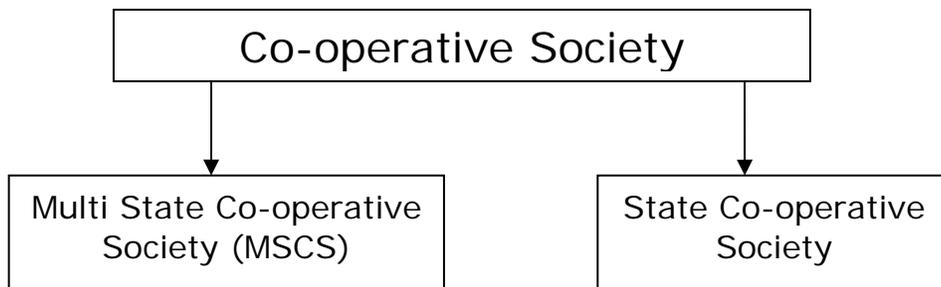


Figure 1.1

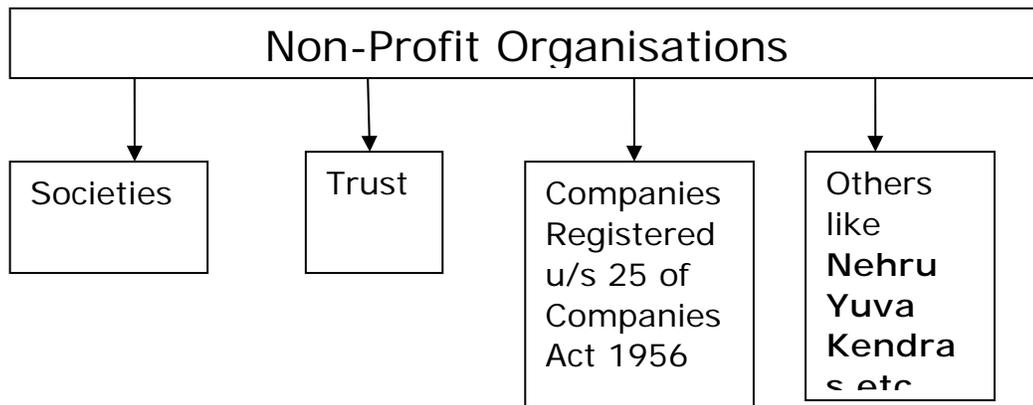


Figure 1.2.

Chapter 4 Comparison Chart

Comparison among Trust, Society and Non Profit Company

	Trust	Society	Section-25 Company
Statute/Legislation	Relevant State Trust Act or Bombay Public Trusts Act, 1950	Societies Registration Act, 1860.	Indian Companies Act, 1956.
Jurisdiction	Deputy Registrar/Charity Commissioner	Registrar of Societies (Charity Commissioner in Maharashtra).	Registrar of Companies.
Registration	As trust	As Society In Maharashtra, both as a society and as a trust.	As a company u/s 25 of the Indian Companies Act.
Registration Document	Trust deed	Memorandum of association and rules and regulations.	Memorandum and articles of association and regulations.
Stamp Duty	Trust deed to be executed on non-judicial stamp paper, vary from state to state.	No stamp paper required for Memorandum of association and rules and regulations.	No stamp paper required for Memorandum and articles of association.
Members Required	Minimum – two trustees. No upper limit.	Minimum – seven managing committee	Minimum three trustees. No upper limit.

Comparison Chart

			members. No upper limit.	
Board Management	of	Trustees / Board of Trustees.	Governing body or council/managing or executive committee.	Board of Directors/ Managing committee
Mode of Succession of Board Management	of	Appointment or Election.	Appointment or Election by members of the general body.	Election by members of the general body.

Chapter 5

Registration Procedure

5.1 Multi State Co-Operative Society (MSCS)

Legislation: Multi State Co-operative Society Act;

Form Required: Form 1 (An illustrative format is given in Appendix A);

Application to whom?

Central Registrar.

Documents to be accompanied with application:

- Duly Signed 4 copies of the Bye-laws.
- Name of the society, main objective, and area of operation.
- A list of shareholders showing the amount contributed and admission fee paid by each of them.
- A certificate from the Bank/Banks stating the credit balance in favour of the proposed MSCS.
- A scheme stating that the MSCS will be economically sound and the registration of such MSCS will be beneficial for social and economic betterment of its members through self-help and mutual aid in accordance with the cooperative principles;
- Certified copy of the promoter's resolution which shall specify one of the applicants' details to whom the Central Registrar may address correspondence.

Mode of sending application:

By Registered Post;

Or

By hand to the Central Registrar in his Office

Time for disposal of application:

Central Registrar shall dispose of the application *within 4 months* from the date of receipt of application.

Deemed Acceptance:

The application shall be deemed to have been accepted if-

- a) the application is not disposed of within 4 months ; or
- b) Central Registrar fails to communicate the order of refusal *within 4 months*.

Signing of Application

<i>Case</i>	<i>Members</i>	<i>No. of persons signing the application</i>
I	Individuals	50 persons from each state concerned.
II	Cooperative societies	Duly authorised representatives of at least 5 such societies registered in different states.
III	Other MSCS and Cooperative societies	Duly authorised representatives of each such society.
IV	MSCS, Cooperative societies and individuals	<ul style="list-style-type: none"> a) Option 1. At least- <ul style="list-style-type: none"> ▪ 50 persons each or more from at least 2 states; and ▪ 1 cooperative society at least from 2 states. b) Option 2. At least- <ul style="list-style-type: none"> ▪ 50 persons or more from at least 2 states; and ▪ 1 MSCS

5.2 State Cooperative Society

Legislation: State-wise;

Example for reference of Rajasthan;

Co-operative Societies Registration Act (Rajasthan);

Application to whom: Registrar, who is appointed by the State Government for a particular State.

Registration Procedure along with Documents Required:

1. Application with signature of all members to be submitted to the Registrar.
2. Copy of By-Laws of the society containing:-
 - a) Name, address and aims and objectives of the society;

- b) Names, addresses and occupations of members;
 - c) Mode of admitting new members;
 - d) Share capital and its division.
3. List of Members of Executive Committee with Name, Address, Occupation and Post along with Self-Attested Address Proof (Ration Card only) and ID Proofs of the Office Bearers.
 4. Affidavits of Office Bearers i.e. President, Secretary, Vice President and Treasurer with Photo attested by the Notary Public.
 5. Authorised Letter of the members and signed by the office bearers.
 6. NOC of Local Member of Municipal Corp./ Local Body or Sarpanch.
 7. Specimen Signature with Name and Designation of the Office Bearers.
 8. List of Members, willing for registration of the Society
 - 50 Members (Minimum);
 - Name;
 - Father's name;
 - Occupation and;
 - Signature with Full Address.

5.3 Societies

Legislation: The Societies Registration Act, 1860, which is a Central Act.

Each State government may have its own Act for the registration of a society.

Procedure: Registration can be done either at the State level (i.e., in the office of the Registrar of Societies) or at the district level (in the office of the District Magistrate or the local office of the Registrar of Societies).

The procedure varies from State to State.

Documents Required: Generally the application should be submitted together with:

- a) Memorandum of association and rules and regulations (not to be on Stamp paper);
- b) Consent letters of all the members of the managing committee;
- c) Authority letter duly signed by all the members of the managing committee;

- d) An affidavit sworn by the President or Secretary of the society on non-judicial stamp paper of Rs.20/-, together with a court fee stamp;
- e) A declaration by the members of the managing committee that the funds of the society will be used only for the purpose of furthering the aims and objects of the society.

All the aforesaid documents which are required for the application for registration should be submitted in duplicate, together with the required registration fee.

5.4 Trust

- a) The application for registration of trust should be made to the official having jurisdiction over the region in which the trust is sought to be registered.
- b) After providing details (in the form) regarding designation by which the public trust shall be known, names of trustees, mode of succession, etc., the applicant has to affix a court fee stamp of Rs.2/- to the form and pay a very nominal registration fee which may range from Rs.3/- to Rs.25/-, depending on the value of the trust property.
- c) The application form should be signed by the applicant before the regional officer or superintendent of the regional office of the Charity Commissioner or a Notary. The application form should be submitted, together with a copy of the trust deed.

Two other documents which should be submitted at the time of making an application for registration are affidavit and consent letter.

The Trust Deed stipulates the goals and objectives of the trust and details regarding how the trust is managed.

A trust deed usually stipulates the following:

- (i) *The name(s) of the author(s)/ settler(s) of the trust;*
- (ii) *The name(s) of the trustee(s);*
- (iii) *The name(s) if any, of the beneficiary/ies or whether it shall be the public at large;*
- (iv) *The name by which the trust shall be known;*
- (v) *The place where its principal and/or other offices shall be situated;*
- (vi) *The property that shall devolve upon the trustee(s) under the trust for the benefit of the beneficiary(ies);*
- (vii) *An intention to divest the trust property upon the trustee(s);*

- (viii) *The objects of the trust;*
- (ix) *The procedure for appointment, removal or replacement of a trustee, their rights, duties and powers, etc;*
- (x) *The rights and duties of the beneficiary/ies;*
- (xi) *The mode and method of determination of the trust.*

It is preferable that the Trust Deed be duly registered even if it involves transfer of movable property. In case of a charitable trust it is mandatory that the Deed be registered for claiming exemption under section 11 of the Income Tax Act.

The Deed needs to be registered with the Sub-Registrar of the registration department of the respective State Governments. The Trust Deed can be registered either under Indian Registration Act or Public Trusts Act. Under Indian Registration Act, if the Trust Deed contains transfer of any immovable property of value exceeding Rs.100 then it must be registered under the Indian Registration Act. However, under the Public Trusts Act it is mandatory for trusts located in States like Maharashtra and Gujarat to get them registered.

Separate applications should be forwarded while registering under any of the above mentioned Acts.

5.5. For Companies Registered U/S 25 of Companies Act 1956

Legislation: Companies Act 1956

Who can avail the benefit of licence u/s 25:

- a) Any association of persons which intends to get registered as a company with limited liability under the Companies Act 1956.
- b) A company which has already registered as a company with limited liability may apply to Central Government for licence u/s 25

Main Instrument: Memorandum and articles of association (no stamp paper required).

Directors: Minimum of two Directors; The Board of Management is in the form of a Board of Directors or managing committee. The Indian Companies Act stipulates that the size of the Board should not exceed 15 members.

Registration Procedure:

1. An application has to be made for availability of name to the Registrar of Companies, which must be made in the prescribed **Form no. 1A**,

together with a fee of Rs.500/-. It is advisable to suggest a choice of three other names by which the company will be called, in case the first name which is proposed is not found acceptable by the Registrar.

2. Once the availability of name is confirmed, an application should be made in writing to the regional director of the Company Law Board. The application should be accompanied by the following documents:
 - (a) Three printed or typewritten copies of the Memorandum and articles of association of the proposed company, duly signed by all the promoters with full name, address and occupation.
 - (b) A declaration by an advocate or a Chartered Accountant that the Memorandum and articles of association have been drawn up in conformity with the provisions of the Act and that all the requirements of the Act and the rules made there under have been duly complied with, in respect of registration or matters incidental or supplementary thereto.
 - (c) Three copies of a list of the names, addresses and occupations of the promoters (and where a firm is a promoter, of each partner in the firm), as well as of the members of the proposed board of Directors, together with the names of companies, associations and other institutions in which such Promoters, partners and members of the proposed Board of directors are Directors or hold responsible positions, if any, with description of the positions so held.
 - (d) A statement showing in detail the assets (with the estimated values thereof) and the liabilities of the association, as on the date of the application or within seven days of that date.
 - (e) An estimate of the future annual income and expenditure of the proposed company, specifying the sources of the income and the objects of the expenditure.
 - (f) A statement giving a brief description of the work, if any, already done by the association and of the work proposed to be done by it after registration, in pursuance of section-25.
 - (g) A statement specifying briefly the grounds on which the application is made.
 - (h) A declaration by each of the persons making the application that he/she is of sound mind, not an undischarged insolvent, not

convicted by a court for any offence and does not stand disqualified under section 203 of the Companies Act 1956, for appointment as a director.

3. The applicants must also furnish to the Registrar of Companies (of the state in which the registered office of the proposed company is to be, or is situate) a copy of the application and each of the other documents that had been filed before the regional director of the Company Law Board.
4. The applicants should also, within a week from the date of making the application to the regional director of the company law board, publish a notice in the prescribed manner at least once in a newspaper in a principal language of the district in which the registered office of the proposed Company is to be situated or is situated and circulating in that district, and at least once in an English newspaper circulating in that district.
5. The regional director may, after considering the objections, if any, received within 30 days from the date of publication of the notice in the newspapers, and after consulting any authority, department or ministry, as he may, in his discretion, decide, determine whether the licence should or should not be granted.
6. The regional director may also direct the company to insert in its Memorandum, or in its articles, or in both, such conditions of the licence as may be specified by him in this behalf.

Chapter 6 Compliance

6.1 Income Tax

Particular	Date
INCOME TAX	
TDS/TCS payment for the preceding month	7th of every month(30th April with respect to TDS for the month of March).
Advance Income Tax- instalment for the year	15/06,15/09,15/12,15/03
TDS/TCS Quarterly return in 27EQ	15/07,15/10,15/01,15/05

6.2 Service Tax

SERVICE TAX	
Half Yearly Service Tax Return	25th of the following month
Service tax payment	5th of the following month or 6th(if paid electronically)

6.3 FCRA Act

FCRA ACT	
Annual Return Date:	31/12 Every Year;

6.4 The Employees Providents Funds Act

The Employees Providents Funds Act

The Employees' Provident Fund and Miscellaneous Provisions Act 1952 applies to the whole India except Jammu & Kashmir.

EPF Act is applicable on NPO's AND COOPERATIVE as subject to following conditions

If organization is employing 20 or more persons;

If engaged in any one or more of the industries specified in Schedule I of the Act or any activity notified by Central Government in the Official Gazette. (for details please visit this link; <http://www.epfindia.com/Applicability.htm>);

The Act does not apply to: The co-operative societies employing less than 50 persons and working without the aid of power. **16(1)(a)**;

Voluntary Coverage: If any of the establishment is not satisfying the above two conditions for coverage and if the employer and majority of the employees are willing, the Act may be applicable to such establishment (voluntary coverage under section 1(4));

PF amount deposit (excluding the 5 grace days allowed) for the preceding month	15th of every month.
PF monthly return for the preceding month	25th of every month.
PF Annual return for the year ending 31 March	30th April.

The Employee's State Insurance Act, 1948

Applicability of The Employees State Insurance Act, 1948.

ESIA is applicable on **NPO's AND COOPERATIVE** as subject to following conditions:

Under Section 2(12) the Act is applicable to non-seasonal factories employing 10 or more persons. Under Section 1(5) of the Act, the Scheme has been extended to shops, hotels, restaurants, cinemas including preview theatres, road-motor transport undertakings and newspaper establishments employing 20* or more persons. Further under section 1(5) of the Act, the Scheme has been extended to Private Medical and Educational institutions employing 20* or more persons in certain States/UTs. **Note: 14 State Govts. / UTs have reduced the threshold limit for coverage of shops and other establishments from 20 to 10 or more persons. Remaining State Governments/UTs are in the process of reducing the same.* The existing wage limit for coverage under the Act is Rs. 15,000/- per month (w.e.f. 01/05/2010).

Areas Covered

The ESI Scheme is being implemented area-wise by stages. The Scheme has already been implemented in different areas in the following States/Union Territories.

States

All the States except Nagaland, Manipur, Tripura, Sikkim, Arunachal Pradesh and Mizoram.

Union Territories

Delhi, Chandigarh and Pondicherry

ESIC payment for the preceding month	21st of every month.
Generation of ESI Docket for the preceding month	25th of every month.
Half Yearly ESI Return	11/11,11/05.

6.5 Annual Compliance with Regulatory Authority

ENTITY	ANNUAL COMPLAINCE
Societies.	<ul style="list-style-type: none"> ▪ An Annual report. ▪ List with details of its managing body every year. (The requirement to file accounts differs among states.)
Section 25 companies	<ul style="list-style-type: none"> ▪ Audited accounts. ▪ An annual report. ▪ An annual return with the Registrar of Companies. ▪ Important resolutions. (Additional requirements for all Directors and significant shareholders are laid out in the Companies Act 1956.)
Charitable trusts	All trusts registered under the relevant State Trusts Act have to comply as per those Acts.
Co-Operative Societies	Communications notice may be sent, and shall send to the Registrar notice for every change in <ul style="list-style-type: none"> ▪ Address of societies. ▪ Copy of Act, rules and by- laws. The Registrar, the Collector or any person authorised by general or special order in writing in this behalf by the Registrar shall at all times have access to all the books, accounts, papers and securities of a society, Every officer of the society shall furnish such information in regard to the transactions and working of the society as the person making such inspection may require.

Other Relevant Information

In addition to registration, a non-profit Organization engaged in certain activities might also require special license/permission. Some of these include (but are not limited to):

A place of work in a restricted area (like a tribal area or a border area requires a special permit – the Inner Line Permit – usually issues either by the Ministry of Home Affairs or by the relevant local authority (i.e., District Magistrate).

To open an office and employ people, the NPO should be registered under the Shop and Establishment Act.

Registration under FCRA Act

To employ foreign staff, an Indian non-profit needs to be registered as a trust/society/company, have FCRA registration and also obtain a No Objection Certificate. The intended employee also needs a work visa.

A foreign non-profit Organization setting up an office in India and wanting staff from abroad needs to be registered as a trust/society/company needs permission from the Reserve Bank of India and also a No Objection Certificate from the Ministry of External Affairs.

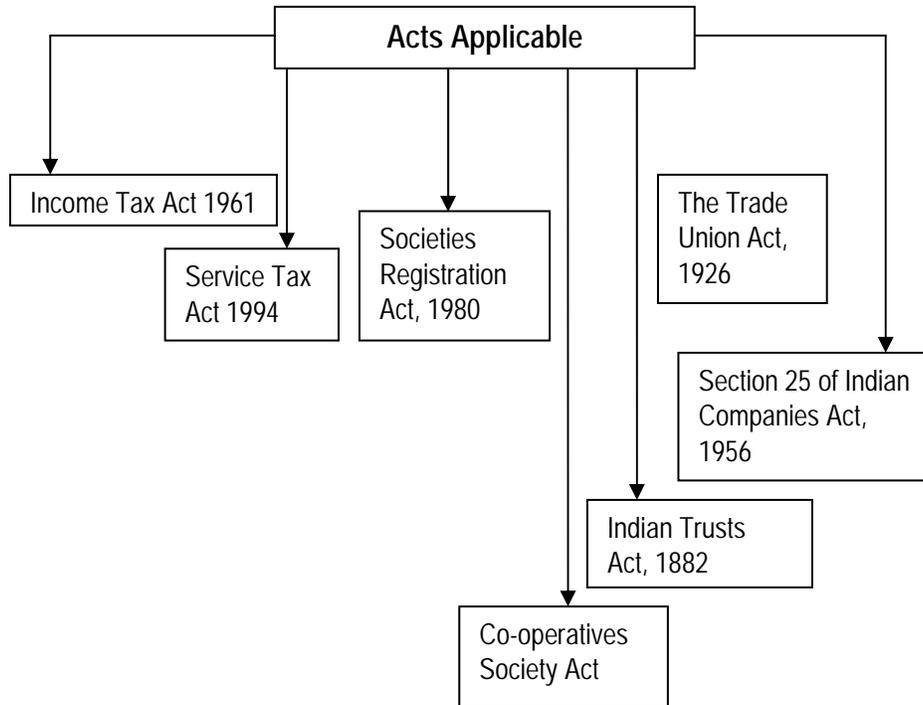
For registration under FCRA Act, following is the procedure:

1. Application for 'registration' under section 11(1) of the Foreign Contribution (Regulation) Act, 2010 for the acceptance of foreign contribution by an Association having definite cultural, economic, educational, religious or social programme. – FC3
2. Application for 'prior permission' under sub-section (2) of section 11 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) for the acceptance of foreign contribution by an Association having definite cultural, economic, educational, religious or social programme. – FC4
3. Application for seeking renewal of 'registration certificate' under section 13 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010). – FC5
4. FCRA Annual Return in Form. – FC6

Chapter 7

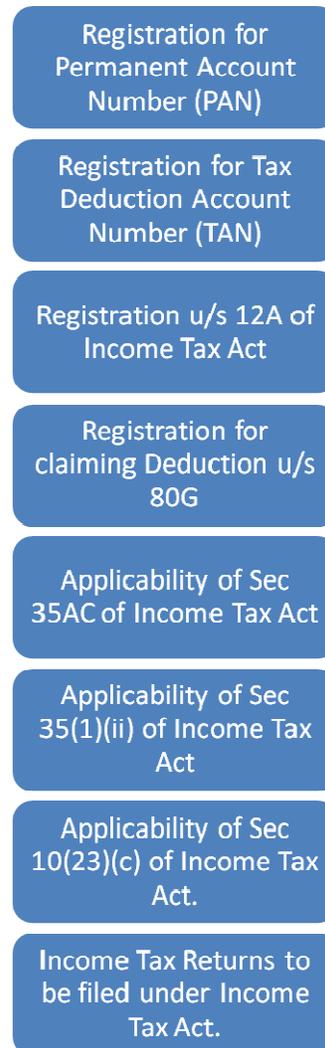
Acts Applicable

A Cooperative Society /NPO need to comply with following Acts:



7.1 Income Tax Act

7.1.1 Requirement under Income Tax Act 1961.



7.1.1.1 Registration for Permanent Account Number (PAN):

All organizations which are required to furnish return of income under section 139(4A) and (4C) should apply for a Permanent Account Number (PAN). As the name suggests, it is a taxpayer's permanent identification number allotted by the income-tax department. PAN once allotted remains valid forever unless it is cancelled or changed by the department. PAN number has 10 alphanumeric characters and issued in the form of a laminated card".

Ways to apply for PAN CARD for NPOs

1. Apply PAN online.

2. Contact UTI IT & service centres which are available in every city.
3. Contact your Chartered Accountant & apply for PAN.

Documents required

1. Application in Form 49A (**Format is given in Appendix B**).
2. Address Proof as per Rule 114 of Income Tax Rules, 1962.
3. Identity Proof as per Rule 114 of Income Tax Rules, 1962.

Document acceptable as proof of identity and address as per Rule 114 of Income Tax Rules, 1962

In Case of	Prescribed Document
Company	Copy of Certificate of Registration issued by the Registrar of Companies.
Association of Persons (Trusts)	Copy of trust deed or copy of certificate of registration number issued by Charity Commissioner.
Association of Persons (other than trusts) or Body of Individuals or Local authority, Artificial Juridical Person	Copy of Agreement or copy of certificate of Registration number issued by Charity Commissioner or registrar of cooperative Society or any other competent authority or any other document originating from any Central or State Government Department establishing identity and address of such person.

Signatures/Thumb impression

Application must be signed by

- (i) Director of a Company; or
- (ii) Trustee ; or
- (iii) Authorized Signatory in case of AOP, Body of Individuals, Local Authority and Artificial Juridical Person.

***Note:** If thumb impression is put on the application form, do get the thumb impression attested by Magistrate or a Notary Public or a Gazetted Officer, under official seal and stamp.*

Payment Details

Payment can be made either by

- i) Demand draft,
- ii) Cheque or,
- iii) Credit Card / Debit Card,
- iv) Net Banking.

7.1.1.2 Registration for Tax Deduction and Collection Account Number (TAN):

In accordance with the provisions of Chapter XVII of Income Tax Act, every person, deducting tax or collecting tax, who has not been allotted a tax deduction account number or tax collection account number shall apply to Assessing Officer for allotment of a 'tax deduction and collection account number'.

Application shall be made in following manner:

1. Application shall be made in prescribed form (**Form No. 49B**) in duplicate. **Format of the Form 49B is given in Appendix C.**
2. Application shall be made:
 - a) Where function of allotment of tax deduction TAN u/s 203A has been assigned by the Chief Commissioner (CCIT) or Commissioner (CIT) to any particular Assessing Officer, to that Assessing Officer.
 - b) In any other case Jurisdictional Assessing Officer.
3. Application shall be made within one month from the end of the month in which the tax was deducted or collected, as the case may be.

Registration U/S:- 12A of the Income Tax Act, 1961:

1. An application in Form 10A is required to be filed before CIT. **(Format of Form 10A is given in Appendix D)**

Following documents are accompanied with application:-

- a) Self-attested Copy of By-laws along with registration certificate of the Society or trust deed of the Trust.
- b) Self-attested latest copy of the office bearers.
- c) Self-attested Audit report in Form 10B along with statement of accounts for maximum 3 years.

- d) Self-attested Report on activities carried on by the Trust or Society.
- e) List of contributories with the name, address and PAN along with mode of receipt.

7.1.1.3 Registration for Claiming Deduction U/S 80g of Income Tax Act 1961:

An application in Form 10G is required to be filed before CIT. **(Format of Form 10G is given in Appendix E)**

Following documents are accompanied with application:-

- a. Self-attested Copy of Registration Certificate u/s 12A or application for Registration u/s 12A.
- b. Self-attested Copy of By-laws along with registration certificate of the Society or trust deed of the Trust.
- c. Self-attested Latest copy of the office bearers.
- d. Self-attested Audit report in Form 10B along with statement of accounts for maximum 3 years.
- e. Self-attested Report on activities carried on by the Trust or Society.

7.1.1.4 Applicability of Section 35 AC of Income Tax Act

NPO can register itself u/s 35AC with the Central Government of India. Potential donors get 100% exemption for the amount donated towards 35AC.

Contributions made to a project/scheme notified as an eligible project or scheme for the purpose of section 35AC of the Income Tax Act would entitle the donor to a 100% deduction of the amount of such contribution. Eligible projects and the schemes for exemption u/s 35AC include one or more of the following:

1. Construction and maintenance of drinking water projects in rural areas and in urban slums, including installation of pump-sets, digging of wells, tube-wells and laying of pipes for supply of drinking water.
2. Construction of dwelling units for the economically weaker sections.
3. Construction of school buildings, preliminary for children belonging to the economically weaker sections of the society.
4. Establishment and running of non-conventional and renewable source of energy systems.

5. Construction and maintenance of bridges, public highways and other roads.
6. Pollution control projects.
7. Promotion of sports.

The Central Government has constituted a National Committee to identify projects and schemes to be notified under section 35AC, such committee normally consists of eminent persons. All NPOs are entitled to apply to the National Committee to get its projects or schemes approved.

The application is to be made in 2 Sets, written either in Hindi or English to the:

Secretary,
National Committee for Promotion of Social & Economic Welfare,
Dept. of Revenue,
Govt. of India,
North Block,
New Delhi – 110012

The Application has to be submitted along with following documents:

1. Copy of registration certification;
2. Trust Deed /Certification of incorporation of company;
3. Copy of resolution passed by the Executive Body of Trustees/Company to undertake the work u/s 35AC of the Income Tax Act, 1961;
4. Audited Accounts for the last three years;
5. Pattern of the proposed project and extent of Government grants/ foreign aids likely to be available for the proposed project in next 3 years.
6. Location of project & date of commencement and completion;
7. Income criteria for selection of beneficiaries / concessional treatment of a patient belonging to poor/weaker section of the society;
8. Concession in fees etc. for training of poor/weaker section and assistance/equipments provided to the beneficiaries for income generation activity;
9. Normal and subsidised fees pattern adopted by the Institute.

10. Blue prints along with professional cost estimate in support of construction activities if any;
11. Information regarding maintenance aspect of proposed project.
12. Information regarding recognition of school/vocational training centre / Laboratory Technician training centre etc. from the concerned Education / Technical Board;
13. Detailed break-up of recurring and non-recurring expenditure on the project and provision for meeting them/ estimated cost (with break up).
14. Area to be covered by Medical camps, other camps etc.
15. Information regarding availability of land/necessary infrastructure to execute the project; (land documents to be enclosed);
16. Expenditure incurred as on date on the proposed project. This is to be noted that Application should be made for the same activity which the Trust is already running, otherwise it will be rejected.
17. Status Report for the projects approved earlier by NC, if any;
18. Extent of freeship/reservation available to beneficiaries belonging to economically weaker sections of the society. The National Committee approves projects on the satisfaction of the condition that freeship is provided to at least 50% of the beneficiaries who earn Rs. 18,000/- or less in a year. In case this is to be followed by your Institution/ Trust, a Resolution adopted by the Institution /Trust to this effect may be furnished;
19. Project Report in a focused manner.
20. Bio-data of Trustees with present & past activities.
21. Prescribed Form/Signatures of Trustees with seal of the Organization on last page of the Form;
22. Activities /Annual Reports;
23. 80G approval, if any;
24. FCRA approval, if any;
25. Please specify the clause of Rule 11K of IT Rules 1962 under which the proposed project qualify for approval.
26. English version of documents, which are in regional language.

7.1.1.5 Applicability of Section 35(1) (ii) of Income Tax Act:

A weighted deduction of 175% is also allowed for contributions to organizations approved under section 35(1) (ii) (a scientific research institute or a university, college or other institution) specifically for "scientific research," and 125% for contributions made under section 35(1)(iii) specifically for "research in social science or statistical research." Business houses making contribution to such approved projects are allowed to show an amount of donation as expenditure in their regular books of accounts.

7.1.1.6 Applicability of 10(23C)(vi) of Income Tax Act:

Four sets of application i.e. Form 56D is required to be filed to the prescribed authority. **(Format of Form 56D is given in Appendix F).**

Following documents are required to be annexed with the application:-

1. Self-attested Copy of Registration Certificate u/s 12A of Income Tax Act 1961.
2. Copy of communication from the CIT with reference to the application of the trust/institution for a registration u/s 12A of Income Tax Act 1961, if any.
3. Self-attested copy of latest certificate of registration u/s 80G issued by the CIT, if any.
4. Self-attested list of major office bearers.
5. Self-attested copy of By- laws or memorandum and article of association along with registration certificate of the Society or trust deed of trust.
6. Self-attested copies of the assessment orders for last 3 years, if any.
7. The Institution shall publish its accounts in local news paper and furnish the same along with application.
8. The prescribed authority may call further documents and information.
9. The maximum period of disposal of the application is within twelve months from the date of receipt of the application.

Any approval issued on or after 1-12-2006 will be one time approval and valid till date of withdrawal.

7.1.1.7(i) Applicability of Hospital or Medical Institutions under Section 10(23C)(vi) of Income Tax Act:

1. Four sets of Application in Form 56D is required to be filed to the prescribed authority.
2. Self-attested copy of Registration Certificate u/s 12A of Income Tax Act 1961.
3. Self-attested copy of communication from the CIT with reference to the application of the trust/institution for a registration u/s 12A of Income Tax Act 1961, if any.
4. Self-attested copy of latest certificate of registration u/s 80G of Income Tax Act 1961 issued by the CIT, if any.
5. Self-attested list of latest office bearers.
6. Self-attested copy of By-laws/ memorandum and article of association along with registration certificate of the Society or trust deed of the Trust.
7. Self-attested copies of the assessment orders for last 3 Years, if any.
8. The Institution shall publish its accounts in local news paper and furnish the same along with application.
9. The prescribed authority may call further documents and information.
10. The maximum period of disposal of application is within twelve months from the date of receipt of application form.

Any approval issued on or after 1-12-2006 will be one time approval and will be valid till date of withdrawal.

7.1.1.8 Income Tax Return to be Filled Under Income Tax Act:

Filing of Return

- ITR 7 – Compulsory to claim exemption.
- On or before 30th September if audit is required.
- On or before 31st July in any other cases.

The following documents need to be attached with return: **Audit Report in Form 10B**

- Balance Sheet.

- Income and Expenditure Account.
- Receipt and Payment Account.
- In case the organization has accumulated income, resolution for accumulation.
- Original TDS Certificate.

Taxation related provisions of Cooperatives and NPOs are given in Appendix -G.

7.2 Service Tax Act

- Every assessee is required to submit a half yearly return in form S.T-3 or S.T.3A (in triplicate) along with proof of payment of tax. For the purpose of filing returns, half year is counted from April to September and October to March. In case the assessee has opted for provisional payment of service tax, he is required to file the service tax return in form S.T.3A. **(Rule 7(1) of Service Tax Rules, 1994)**
- An assessee may submit a revised return, in Form ST-3, in triplicate, to correct a mistake or omission, within a period of ninety days from the date of submission of the return under rule 7. **(Rule 7B of Service Tax Rules, 1994)**
- The half yearly return is required to be filed by the 25th of the month following a particular half year. **(Rule 7(2) of Service Tax Rules, 1994)**
- The department has extended the facility of filing the returns on-line (e-filing of returns). This facility is available for all the categories of service providers. However, in respect of assesseees who have paid total service tax of rupees ten lakh or more including the amount paid by utilization of CENVAT credit, in the preceding financial year, electronic filing of return is mandatory.
- **Procedure for e-filing:**
 1. File of an application to the jurisdictional Asst. /Deputy Commissioner of Service Tax, specifying-- 15-digit PAN based registration number (STP Code) - Valid e-mail

address – so that the Department can send them their User ID and password to help them file their Return.

2. Log on to the Service Tax e-filing home page by typing the address <http://servicetaxefiling.nic.in> in the address bar of the browser.
3. Upon entering the Service Tax code, user ID and password, you will be permitted to access the e-filing facility.
4. Follow the instructions given therein for filing the Returns electronically.

7.3 Societies Act

Each society has to comply with the provisions of The Societies Registration Act 1860. The requirements to file accounts differs among states.

Refer Page No. 37 for the annual compliance with Regulatory Authority.

7.4 Co-Operative Society Act

Returns and Statement to be furnished by Co-operatives Societies under Co-operative Societies Act:

Every co-operative society is required to prepare in each co-operative year following statements.

- Statement showing the receipts and disbursement for the year.
- Profit and loss accounts
- Balance sheet
- Any other statement or returns as may be specified by the Registrar.

All the statements have to be filed with the Registrar in the month of July every year.

Note: The consumer societies, producers, societies and any other societies that may be specified by the Registrar have to submit every year within such time as may be specified by the Registrar, statement of verification of the stock of articles in which the society transacts business at the close of the preceding co-operative year.

If the societies fail to submit any of these returns the registrar can depute an officer who will prepare the necessary statements or returns at the cost of the society determined by the Registrar.

Retention and Destruction of Records

Books and records of the society as shown in Schedule I given in part 3 of this Book should be preserved by the co-operative society. Other records may be destroyed and a list of such destroyed record should be prepared and kept by the society.

7.5 Under Trust Act

Various states of the country have different provisions for documents requirement from trust registered under the law applicable in the State. An illustrative list of document required under Bombay Public Trust Act is given below:

- (a) Covering letter
- (b) Schedule II (the signatory to the application to affirm & subscribe before appropriate authority)
- (c) Trust deed certified copy/memorandum of association and rules & regulations (in case of society)
- (d) Affidavit in prescribed format.
- (e) Consent letter signed by the remaining trustees and stating that they hereby allow the applicant trustee to represent on their behalf and complete all registration formalities and obtain the certificate of registration.
- (f) Prescribed application fees based on value of the property.

Memorandum of particulars of immovable property to be filed within 3 months of creation of trust in Schedule IIA. Application for registration of a public trust created by will has to be made within 1 month of granting of probate (i.e., copy of will certified under the seal of the Court) or within 6 months of testator's death, whichever is earlier.

In case of a society, it will have to be registered under the Societies Registration Act as well as with the Charity Commissioner. Unlike trusts, societies have a more democratic set up. There is usually a scheme of election for members of the governing council/managing committee. In case of trust, generally new trustees are appointed by invitation of the sitting trustees.

Intimation of Change: Sections 22 & 22(1A)

Where any change occurs in any of the entries recorded in Schedule I, the same has to be intimated to Charity Commissioner within 90 days of occurrence of change in Form "Schedule III" along with relevant documentary evidence. Intimation of change relating to any immovable property has to be given in Form 'Schedule IIIA' (change report) Affix court fees stamp of Rs. 100.

Immovable Property (Sec. 36)

Investment in immovable property requires Charity Commissioner's permission. Prior permission of Charity Commissioner is required for sale, exchange, gift of any immovable property, lease exceeding a period of 3 years in case of non-agricultural land/building, lease exceeding 10 years in case of agricultural land.

Borrowing Powers of Trustees (Sec. 36A)

No trustees shall borrow money for the purpose of or on behalf of trust except with previous sanction of the Charity Commissioner.

Contribution to Charity Commissioner (Sec. 58) (Sch. IXC)

A public trust (other than one which is exempt) having gross annual income (from all sources) exceeding Rs. 25,000 has to pay contribution to the Public Trust Administration Fund @2%. Gross annual income excludes corpus donations. Contribution is payable @2% on the gross annual income after making the deductions prescribed in Rule 32 which are stated hereunder:

Deductions

- (a) Donations received from other public trusts and dharmadas;
- (b) Grants received from government & local authorities;
- (c) Interest on sinking and depreciation fund;
- (d) Amount spent for secular education/ medical relief/veterinary treatment of animals.
- (e) Expenditure incurred from donations for relief of distress caused by natural calamity.

- (f) Deduction of land revenue, rent payable to landlord, cost of production out of income from the land used for agricultural purpose
- (g) Deductions of municipal taxes, ground rent, cesses, insurance premia, repairs @10% of gross rent of let out buildings out of income from land used for non-agricultural purposes
- (h) Cost of collection of income or receipts from securities, stock etc. @1% of such income.
- (i) Deduction in respect of repairs of building (yielding no income) @10% of estimated gross annual rent.

The following trusts are exempt from payment of contribution –

- (a) Public trusts having gross annual income of Rs. 25000 or less
- (b) Public trusts exclusively for advancement/propagation of secular education/medical relief/veterinary treatment
- (c) Recognized public libraries and reading rooms.
- (d) Public trusts exclusively for the purpose of relief of distress caused by natural calamity.

Budget (Sec 31a & Rule 16A)

Trustee of every public religious trust having annual income exceeding Rs. 5000 and Rs. 10000 in case of other trusts has to prepare and submit the budget to the Charity Commissioner, one month before the commencement of the accounting year. The budget has to be prepared as per format given in Schedule VIIA.

Accounts and Audit (Secs. 32 & 33, 34)

Regular accounts to be maintained. Balance sheet to be prepared as per Schedule VIII and Income and Expenditure account as per Schedule IX. If the trust/society operates in more than one city or geographical region with separate branch or project offices, the accounts of all such branches or project offices should be consolidated. However, it is permissible to file separate accounting returns if filed at one time. Contribution u/s. 58 has to be made as per consolidated income. In case of religious trusts, gold, silver and other valuable articles should be valued after every 10 years and a footnote as to such value should be given in the balance sheet. Accounts shall be balanced on 31st March every year or on such other day as may be fixed by the Charity Commissioner. Audit should be completed within 6 months of the completion of the accounting year. The auditor shall forward a copy of the

Balance Sheet and Income & expenditure account along with his Audit report to the Deputy or Assistant Charity Commissioner within a fortnight of the audit. Trust having an annual income of Rs. 15000 or less is exempt from audit. Trust exempted from audit is required to file affidavit as to the extent of their income and also has to file accounts in Schedule IX-A and IX-B within 3 months of the completion of the accounting year.

Changing the Objects of the Trust

Sometimes, a trust created for certain specific objects fails due to unforeseen circumstances. In such cases the doctrine of cy pres comes into play. The meaning of the phrase 'cy pres' is as near as possible. i.e. the trust can change its objects and the funds can be used for a similar other purpose. For this an application has to be made to the Charity Commissioner who in turn may further require the trust to take sanction from the Court.

Amalgamation of Trusts

To rescue financially weak trusts sec. 50A(2) of the BPT Act lays down the provisions for legally amalgamating two or more trusts with similar objects.

Foreign Contribution (Regulation) Act

All trusts receiving foreign contribution (i.e., any article, currency whether Indian or foreign, foreign securities received from a foreign source) have to register with the Central Govt. under FCRA. Moneys received in Indian currency from companies in India that are foreign controlled are also considered as foreign contributions. **The Government is to be intimated in Form FC-3 within 30 days of the receipt of foreign contribution. Separate accounts have to be maintained of the foreign contribution received & utilized. Every account so maintained shall be audited by C.A. along with Balance sheet and statement of receipts and payments.** It has to be furnished to the Secretary, GOI, Ministry of Home Affairs, New Delhi, within 60 days of closure of the year.

7.6 Trade Union Act

The registered trade unions (workers & employers) are required to submit **annual statutory returns** to the Registrar regarding their-:

- Membership,
- General funds,
- Sources of income and

- Items of expenditure and
- Details of their assets and liabilities,

which in turn submits a **consolidated return** of their state in the prescribed Performa to Labour Bureau, Ministry of Labour and Employment. The Labour Bureau on receiving the annual returns from different States/Union Territories, consolidates the all India statistics and disseminates them through its publication entitled the 'Trade Unions in India' and its other regular publications.

7.7 Under Companies Registered U/S 25 of Companies Act, 1956

All section 25 companies have to file documents to the Registrar of Companies.

Refer page No. 37 for annual compliance with Regulatory Authority.

Chapter 8

Fund Raising For NPOs

NPOs all over the world provide selfless, non-discriminating voluntary services to millions of people in need especially at times of disaster and natural calamity, and spend billions of rupees in providing development assistance, technical support and render mass awareness among world's poorest people estimated to be approximately over \$8 billion in 1992. In order to provide such services to people, the NPOs require financial assistance from both government and private organizations.

8.1 Sources of Financing

The following are the sources of financing:

- (i) Internal resources.
- (ii) Donations from individuals and private institutions in the country in which the NPO is domiciled or those located in other countries.
- (iii) Donations/financial aid from government/government organisations of the country in which the NPO is domiciled.
- (iv) Donations from government/government organisations of countries other than the country in which the NPO is domiciled.
- (v) Funding from international funding agencies.

The financial aid may be in cash or kind such as education, training etc.

However, the question that most often comes to our mind is the psychology of the donor i.e., why does he want to part with his money? The reason behind donors donating can be many: just out of a sense of mere obligation towards the deprived ones, or may be just because helping those who need it gives them great personal satisfaction. There are still others who donate because it is a family tradition, or simply to get exemption from income tax.

However, there are specific sections in the society who donate out of their sense of duty towards their faith and community. Now it depends on the respective NPOs to put forward their vision and mission in a manner most convincing to the donor. For this purpose, a separate committee should be set up that might look after the presentation part, contacting proper donors etc.

The donor might be approached in a number of ways either personally or through a personal letter. Often old donors act as source for introducing new donors to the NPOs.

8.2 Internal Resources

- (i) **Membership Dues:** NPOs collect money or any other relief assistance either in cash or kind from its members.
- (ii) **Fees from Sponsorship:** Different NPOs often receive money through sponsorship from companies.
- (iii) **Voluntary contributions** from individuals and other entities.
- (iv) **Sales:** NPOs often take up selling of various articles like cards, candles, gift items, books, internet services, travel packages etc, like a private firm in order to raise funds required for them to function smoothly. For example, UNICEF and CRY sell their products to generate income.
- (v) **Income from investment:** Often the funds which the NPO's receive are not entirely spent on humanitarian aid or development assistance; a part of it is kept as corpus fund. NPOs earn return on the investment from the corpus fund.

8.3 Grant-In-Aid from the Government

Although the term NPO implies organization free of any government involvement, NPOs depend to a significant extent on government assistance. Governments of different nations have got their specific funding schemes through which they provide funds to different NPOs situated in their country. Central government and State governments provide funds to NPOs in the form of grants-in-aid for the implementation of various schemes in the social sector.

Often the grant is channelized through one of the nodal agencies (e.g. Khadi and Village Industries Commission, Council for Advancement of People's Action and Rural Technology and Central Social Welfare Board) created by the government. In order to receive grants, the local NPOs must meet certain criteria for grant of governmental assistance. Every Ministry and nodal agency has its own guidelines for organisations, which seek assistance from the Ministry or the nodal agency.

Usually, only registered NPOs with good governance structure and good track record are eligible for assistance from the government.

8.4 External Aid

All over the world, the various non-government and non-profit organizations have access to financial assistance from various international agencies. This is because the size of their assets is quite small compared to other institutions. As a result, these organizations are not prepared for any sort of equity investments, and this compels them to depend on foreign funds. Donor agencies usually undertake technical assessment of the project for which assistance is sought from the agency. For example, they evaluate the purpose for which the fund is sought and how the project will help target beneficiaries. Donor agencies may discuss those issues with the government. On completion and finalisation of the discussion process, donor agencies enter into agreements with the government of the receiving country that in turn initializes and finalizes the funding process for the respective organization receiving the fund. The receiving agencies are, however, kept under watch by the government and the donor agency to ensure proper utilization of funds. Hence, it is also one of the key responsibilities of the government of the receiving country to extend full support and collaboration to donor agencies to ease up the process of giving and receiving donations.

Types of International Funding

International donations might come in several forms stated under:

(i) **Bilateral Funding.** Funding is received under a financial agreement between two parties, the international donor agency and the recipient country. It is basically a single country or a single international donor agency donating a lump sum amount to the relief organization of the recipient country as humanitarian aid or development aid.

For example, USAID (*United States Agency for International Development*) is providing humanitarian or development assistance all over the world.

(ii) **Multilateral Funding.** Funding is received under a financial agreement among a group of countries. It is basically a single relief agency receiving funds from different parts of the country for either development or humanitarian cause. The respective receiving agencies generally have a specific unit in charge of collecting funds from the different countries and ensuring proper distribution in areas that require fund.

(iii) ***Private institutional funding:*** Often, government of a specific country donates a particular sum of money to multilateral institutions like the World Bank or IMF, which are controlled and governed by the countries contributing to it. These organizations in turn provide financial grants to various NPOs.

(iv) ***Overseas Non-Resident Communities:*** Many immigrants shift their base from an economically backward country to a country where there are better economic prospects and job opportunities, and donate money to friends or family or to any relief organization in their native land. There are also several Non-Resident communities who collect funds in their adopted country and donate it to the NPOs of their native land. These payments constitute a major percentage of total International funding.

Neither bilateral nor multilateral funding can be carried out without government intervention. Both the donor agency and the receiving agency need to obtain a permit from the government to carry on with the funding process. In this regard the Ministry of Finance (Government of India) has formulated a policy on Development Co-operation with Government and its subordinate agencies.

Chapter 9

Fund Raising For Co-operative Societies

1. Every co-operative society, which has a share capital shall provide in the bye-laws the maximum amount of such share capital, the number of shares into which it is divided, the class of shares, the face value of each share of each class and the rights and liabilities attaching to each class of shares and where the full amount of the shares is not payable on allotment, the amount and the number of instalments in which it is required to be paid and such other incidental matters.
2. Any co-operative society, which is authorized under its bye-laws to raise funds by the issue of debentures and bonds may, with the prior sanction of the Registrar, frame regulations regarding the maximum amount to be raised by the issue of debentures and bonds, the class or classes of debtors and bonds, the face value of each-debenture or bond, the date on which the debentures or bonds are to be redeemed, the rate at which interest is payable, the terms and conditions regarding transfer of debentures and bonds and other incidental matters.
3. The Registrar may, by general or special order, lay down such additional conditions as the **co-operative** societies may receive deposits, issue debentures or raise loans from any creditor other than the Financing Bank.

Chapter 10

Accounting Framework for NPOs

This Framework is concerned with general purpose financial statements (hereafter referred to as 'financial statements'). Such financial statements are prepared and presented at least annually and are directed towards the common information needs of a wide range of users. These users have to rely on the financial statements as their major source of financial information and cannot prescribe the information they want from an organisation. The general purpose financial statements should, therefore, be prepared and presented with their needs in view. Special purpose financial reports, for example, computations prepared for taxation purposes or specialised needs of regulatory bodies, donor agencies, or others having the authority to obtain the type of information they need are outside the scope of this Framework. For instance, a donor agency may prescribe a specific format for reporting the utilisation of its own funds.

It is often argued that since profit is not the objective of NPOs, the accounting framework, which is relevant for business entities is not appropriate for NPOs. With a view to recommend suitable accounting system for NPOs, it would be imperative to understand the major ingredients of an accounting framework.

An accounting framework primarily comprises the following:

(a) Elements of financial statements basically comprising income, expenses, assets and liabilities

The framework aims to identify the items that should be considered as income, expenses, assets and liabilities in NPOs, for the purpose of including the same in the financial statements by defining the aforesaid terms.

(b) Principles for recognition of items of income, expenses, assets and liabilities

These principles lay down the *timing* of recognition of the aforesaid items in the financial statements of NPOs. In other words, these principles lay down *when* an item of income, expense, asset or liability should be recognised in the financial statements.

(c) Principles of measurement of items of income, expenses, assets and liabilities

These principles lay down at *what* amount the aforesaid items should be recognised in the financial statements.

(d) Presentation and disclosure principles

These principles lay down the manner in which the financial statements are to be presented by NPOs and the disclosures to be made therein.

With regard to elements of financial statements, it may be noted that what is considered as an asset (e.g., land and furniture), by a business entity is an asset for an NPO also. However, in case of an NPO, there may be certain assets having only service potential and no economic benefits, while this may or may not be the case for a business entity. Same is the case for items of income, expenses and liabilities. Therefore, the elements of financial statements remain the same in NPOs as in business entities.

Similarly, there is no difference in the application of the recognition principles to business entities and NPOs. For example, the timing of the recognition of a grant as an income in the financial statements of an organisation does not depend upon the purpose for which the organisation is run. A grant is recognised as income in the financial statements, under accrual basis of accounting, when it becomes reasonably certain that the grant will be received and that the organisation will fulfil the conditions attached to it, and under cash basis of accounting at the time when the grant is actually received. Thus, a business entity and an NPO would both follow the aforesaid criteria for recognition of grant as income depending upon the basis of accounting (i.e., cash or accrual basis, discussed hereinafter) followed by the respective organisation rather than the purpose for which the organisation is run. Similarly, principles for recognition of other incomes, expenses, assets and liabilities would be the same for business entities and NPOs.

Insofar as the measurement principles are concerned, the same principles are relevant to NPOs as those to business entities. For example, depreciation of an asset represents primarily the extent to which the asset is used during an accounting period by an organisation. Thus, whether an asset, such as a photocopying machine, is used by an NPO or by a business entity, the measure of charge by way of depreciation depends primarily upon the use of the asset rather than the purpose for which the organisation is run. Accordingly, the measurement principles for other expenses, income, assets and liabilities are the same for business entities and NPOs.

In so far as presentation of financial statements is concerned, NPOs generally follow what is known as 'fund based accounting' whereas the business entities do not follow this system. This is because NPOs may be funded by numerous grants, donations or similar contributions, which may or may not impose conditions on their usage. In other words, the use of some funds may be

restricted by an outside agency such as a donor or self-imposed by the organisation. It, therefore, follows that the financial statements of NPOs should reflect income, expenses, assets and liabilities in respect of such funds separately so as to enable the users of financial statements such as the contributors, to assess the usage of the funds contributed by them. However, it may be noted that fund based accounting is relevant primarily for the purpose of presentation of financial statements and not for the purpose of identification, recognition and measurement of various items of income, expenses, assets and liabilities.

It may be concluded from the above paragraphs that while the identification, recognition and measurement of elements of financial statements are sector-neutral, the presentation of financial statements may differ among the two sectors, viz., for-profit sector and not-for-profit sector. Similarly, disclosure principles may also differ.

The accounting framework discussed above would apply to all categories and types of NPOs. However, the books of account to be maintained by various NPOs may depend upon the nature of activities and/or programmes carried out by them.

10.1 Basis of Accounting

The term 'basis of accounting' refers to the method of recognition of revenue, expenses, assets and liabilities in accounts.

The commonly prevailing bases of accounting are:

- (a) Cash basis of accounting; and
- (b) Accrual basis of accounting.

Under the cash basis of accounting, transactions are recorded when the related cash receipts or cash payments take place. Thus, the revenue of NPOs, such as donations, grants, etc. is recognised when funds are actually received. Similarly, expenses on acquisition and maintenance of assets used for rendering services as well for employee remuneration and other items are recorded when the related payments are made. The end-product of cash basis of accounting is a statement of receipts and payments that classifies cash receipts and cash payments under different heads. A statement of assets and liabilities may or may not be prepared.

Accrual basis of accounting is the method of recording transactions by which revenue; expenses, assets and liabilities are reflected in the accounts in the period in which they accrue. The accrual basis of accounting includes

considerations relating to deferral, allocations, depreciation and amortisation. This basis is also referred to as 'Mercantile Basis of Accounting'.

Accrual basis of accounting attempts to record the financial effects of the transactions and other events of an enterprise in the period in which they occur rather than recording them in the period(s) in which cash is received or paid. Accrual basis recognises that the economic events that affect an enterprise's performance often do not coincide with the cash receipts and payments. The goal of accrual basis of accounting is to relate the accomplishments (measured in the form of revenue) and the efforts (measured in terms of costs) so that the reported net income measures an enterprise's performance during a period rather than merely listing its cash receipts and payments. Apart from income measurement, accrual basis of accounting recognises assets, liabilities or components of revenue and expenses for amounts received or paid in cash in past, and amounts expected to be received or paid in cash in future.

In cash-based accounting, no account is taken of whether the asset is still in use, has reached the end of its useful life, or has been sold. Thus, cash-based information fails to show a proper picture of the financial position and performance for the accounting period. A cash-based system does not provide information about total costs of an organisation's activities. On the other hand, accrual system of accounting offers the opportunity to the organisation to improve management of assets, and provides useful information about the real level of organisation's liabilities, relating to both debts and other obligations such as employee entitlements.

NPOs registered under the Companies Act, 1956, are required to maintain their books of account according to accrual basis as required in section 209(3)(b) of the said Act. If the books are not kept on accrual basis, it shall be deemed as per the provisions of the aforesaid section, that proper books of account are not kept.

Accrual is the scientific basis of accounting and has conceptual superiority over the cash basis of accounting. It is, therefore, recommended that all NPOs, including non-company NPOs, **should maintain their books of account on accrual basis.**

List of Accounting Standards generally applicable on NPO is given in **Appendix – H**

Applicability of SAs on Cooperatives and NPOs is given in Appendix – I

Chapter 11

Accounts and Books – Co-operative Society

Various States of the country have different provisions for Cooperative Societies. An illustrative list of document required under The Delhi Co-operative Society Rule, 1973 is given below:

Every co-operative society shall keep and maintain the following accounts and books for the purpose of recording the business transacted by it:-

- (a) Minute books for recording the proceedings of the general body.
- (b) Register of applications for membership containing the name and address of the applicant, the date of receipt of application, the number of shares applied for and in case of refusal, the date of communication of the decision refusing admission to the applicant.
- (c) Admission book, showing the name and address of each member, the date of admission, the shares taken by him and the amount of share capital, if any refunded to him together with the date of each such payment and refund.
- (d) Nomination registers.
- (e) Cash book, showing daily receipts and expenditure, and the balance at the end of each day.
- (f) Receipt book, containing forms in duplicate, one of each set to be issued for money received by the society and the other to serve as counterfoil.
- (g) Voucher file, containing all vouchers for contingent expenditure incurred by the society, numbered serially and filed chronologically.
- (h) Ledger of borrowings, showing deposits and other borrowings of all kinds.
- (i) In the case of societies issuing loans:-
 - (i) Loan ledger, showing the number and date of disbursement of each loan issued to members the amount of loan, the purpose for which it is granted and the date or dates of repayment, distinguishing principal and interest.

- (ii) Liability register showing the indebtedness of each member to the society whether on account of the loan taken directly by him or on account of the loan which he stands as surety.
- (j) In the case of a society with unlimited liability, property statement of members showing the assets and liabilities of each individual member on the date of his admission with full details of the property including the survey number of the lands, the statement being revised as often as may be necessary and in any case at least once in three years and such statements being entered in a register in a stitched volume
- (k) In the case of a society, the working capital of which exceeds twenty thousand rupees, general ledger showing receipts and disbursements and the outstanding under various heads from day to day.
- (l) In the case of a Co-operative Bank, register of fluid resources showing the immediate liabilities of the society and the extent of fluid resources available to which the Banking Regulation Act, 1949 applies according to the instructions of the Reserve Bank.
- (m) Monthly register of receipts and disbursements.
- (n) Register of dividend.

Chapter 12

Fund Based Accounting

NPOs frequently receive grants/donations and other forms of revenue the use of which may be either unrestricted or subject to the restrictions imposed by the contributors, i.e., such funds can only be used for specific purposes and, therefore, are not available for an NPO's general purposes. Further, there might also be legal/other binding restrictions on NPOs to use certain specific amounts only for specified purposes or NPOs may also on their own, earmark certain unrestricted funds for specific purposes. For the purpose of appropriate presentation of these funds in the financial statements, it is necessary to understand their nature and characteristics, which is described below:

(a) **Unrestricted funds:** Unrestricted funds refer to funds contributed to an NPO with no specific restrictions. The obligation of an NPO while accepting an unrestricted donation or grant is to ensure its usage for the general purposes of the NPO. All incomes (donations, legacies, investment income, fees, etc.) not subject to external restrictions are a part of unrestricted funds. For the purpose of presentation in the income and expenditure account and the balance sheet the unrestricted funds can be further classified into three categories viz., corpus, designated funds and general fund.

(i) **Corpus:** Corpus refers to the funds contributed by founders/promoters generally to start the NPO. They are non-reducible funds which can however be increased by additional contribution by the founders/promoters to further the objects of the NPO. These funds need to be distinguished from the funds which are in the nature of founders'/promoters' contribution, which grants are given by contributors other than Founders/promoters with reference to the total investment in an undertaking or by way of contribution towards outlay. No repayment is ordinarily expected of such grants.

(ii) **Designated funds:** Designated funds are unrestricted funds which have been set aside by the trustees/management of an NPO for specific purposes or to meet future commitments. Unlike restricted funds, any designations are self-imposed and are not normally legally binding. The NPO can lift the designation whenever it wishes and reallocate the funds to some other designated purpose.

(iii) **General fund:** Unrestricted funds other than 'designated funds' and 'corpus' are a part of the 'General Fund'.

(b) **Restricted funds:** Restricted funds are subject to certain conditions set out by the contributors and agreed to by the NPO when accepting the contributions. The restriction may apply to the use of the moneys received or income earned from the investment of such moneys or both. Funds, the use of which is subject to legal restrictions are also considered as restricted funds.

Endowment funds are another form of restricted funds. Endowment funds are those funds which have been received with a stipulation from the contributor/donor that the amount received should not be used for any purpose. Only the income earned from these funds can be used either for general purposes of the NPO or for specific purposes, depending on the terms of the contribution made. Usually, the amount received is invested outside the NPO as per the terms of the contribution, if any.

Designated funds are created by appropriation of the surplus for the year for meeting:

- a) Revenue expenditure;
- b) Capital expenditure in future.

When revenue expenditure is incurred with respect to a designated fund, the same is debited to the income and expenditure account ('Designated Funds' column). A corresponding amount is transferred from the concerned designated fund account to the credit of the income and expenditure account after determining the surplus/deficit for the year since the purpose of the designated fund is over to that extent.

Where the designated fund has been created for meeting a capital expenditure, the relevant asset account is debited by the amount of such capital expenditure and a corresponding amount is transferred from the concerned designated fund account to the credit of the income and expenditure account after determining surplus/deficit for the year. In respect of the assets, e.g., a building, being constructed by an NPO, on completion of the same, the entire balance, if any, of the relevant designated fund is transferred to the credit of the income and expenditure account after determining the surplus/ deficit for the year.

In case an NPO holds specific investments against the designated funds, **income earned**, if any, on such investments, is credited to the income and expenditure account for the year in which the income is so earned and is shown in 'Designated Funds' column. An equivalent amount may be transferred to the

concerned designated fund account after determining the surplus/deficit for the year as per the policy of the NPO.

All items of revenue and expenses that do not relate to any designated fund or restricted fund are reflected in the 'General Fund' column of the income and expenditure account. The surplus/ deficit for the year after appropriations is transferred and presented as surplus/deficit separately as a part of 'General Fund' in the balance sheet. Apart from such surplus/deficit, the 'General Fund' also includes the following which are separately presented in the balance sheet:

- (a) Grants related to a non-depreciable asset.
- (b) Grants of the nature of founders'/promoters' contribution.

Restricted funds, that represent the contributions received the use of which is restricted by the contributors, are credited to a separate fund account when the amount is received and reflected separately in the balance sheet. **Such funds may be received for meeting revenue expenditure or capital expenditure.** Where the fund is meant for meeting revenue expenditure, upon incurrence of such expenditure, the same is charged to the income and expenditure account ('Restricted Funds' column); a corresponding amount is transferred from the concerned restricted fund account to the credit of the income and expenditure account ('Restricted Funds' column). Where the fund is meant for meeting capital expenditure, upon incurrence of the expenditure, the relevant asset account is debited which is depreciated as per AS 6. Thereafter, the concerned restricted fund account is treated as deferred income to the extent of the cost of the asset, and is transferred to the credit of the Income and Expenditure Account in proportion to the depreciation charged every year (both the income so transferred and the depreciation should be shown in the 'Restricted Funds' column). The unamortised balance of deferred income would continue to form part of the restricted fund. Any excess of the balance of the concerned restricted fund account over and above the cost of the asset may have to be refunded to the donor. In case the donor does not require the same to be refunded, it is treated as income and credited to the income and expenditure account pertaining to the relevant year ('General Fund' column). Where the restricted fund is in respect of a non-depreciable asset, the concerned restricted fund account is transferred to the 'General Fund' in the balance sheet when the asset is acquired.

The restricted funds will normally carry a stipulation as to the use of income earned on investments made out of the contributions received. If the terms stipulate that the income earned should be used for the same purpose for which

the contribution was made, the income earned should be credited to the concerned restricted fund account. Where the terms stipulate a general use of the income earned, the same should be credited to the income and expenditure account ('General Fund' column) of the year in which the income is so earned.

With regard to endowment funds, the income earned from investments of these funds is recognised in the income and expenditure account only to the extent of the expenditure incurred for the relevant purpose. Both the income and the expense should be shown in the 'Restricted Funds' column. Any excess of the income not recognised as aforesaid would continue to remain part of the concerned fund.

Chapter 13

Provision of Conversion or Reconversion of Cooperative Societies into Producer Companies

The *COMPANIES' AMENDMENT ACT 2002* introduced the concept of Producer Company. A Producer Company is a hybrid between limited company and Cooperative society. It combines the benefits of cooperative enterprises and the vibrancy and efficiency of a company.

Meaning:

- An Inter-State Cooperative Society means a Multi-State State Cooperative Society as defined in section 3(p) of Multi-State Cooperatives Act, 2002 and includes any Cooperative Society registered under any law in force and which has after its formation, extended any of its objects to more than one state.
- The Inter-State Cooperative Society whose objects not confined to one State can opt for conversion into a producer company

Provisions:

- The Inter-State Cooperative Society shall, upon registration stand transformed into a producer company, and shall be governed by the provision of Part IX A of the Companies Act, 1956.
- All its properties, assets, liabilities, debts etc. shall vest in Producer Company with effect from the Registration date.
- All legal proceeding may be continued against the Producer Company.

Procedure

For registration as a Producer Company an application is required to be submitted along with the prescribed document to the Registrar for registration as Producer Company.

Following enclosures and documents are required to be submitted with along the application:

- A copy of the special resolution passed with 2/3 majority of the member.

Provision of Conversion or Reconversion of Cooperative Societies...

- A statement showing the of names, addresses and occupation of the Directors and the Chief Executive.
- A list of the members.
- A statement indicating that the Inter-State Cooperative Society is any one or more of the objects specified in section 581B of Companies Act, 1956.

A declaration by two or more Directors certifying that the particulars given above are correct.

The Registrar on being satisfied that all the required document relating to registration have been duly complied with shall within 30 days of receipt of the application Issue a Certificate of Incorporation. And the word 'Producer Company Limited 'shall form part of its name to explain its identity.

Reconversion of producer company into inter-state cooperative society:

- A Producer Company may be reconverted into Inter-State Co-operative Society.
- After obtaining approval of its members in general meeting by Two-third majority or on request by its creditors representing three-fourth of its value of creditors.
- Make an application to High Court for its reconversion into 'Inter-State Co-operative Society'.

Chapter 14

Important Links

1. Ministry of Home Affairs (MHA)

Foreign Contributions are regulated by MHA. There is an act named **Foreign Contributions Regulations Act, 1976** (FCRA) to regulate the Foreign Contribution. The prime objective of the Act is to regulate the acceptance and utilization of foreign contribution and foreign hospitality by persons and associations working in the important areas of national life. The focus of the Act is to ensure that the foreign contribution and foreign hospitality is not utilized to affect or influence electoral politics, public servants, judges and other people working in the important areas of national life like journalists, printers and publishers of newspapers, etc. The Act also seeks to regulate flow of foreign funds to voluntary organizations with the objective of preventing any possible diversion of such funds towards activities detrimental to the national interest and to ensure that individuals and organizations may function in a manner consistent with the values of the sovereign democratic republic.

For more details go to the following link:

<http://mha.nic.in/fcra.htm>

2. National Bank for Agriculture and Rural Development (NABARD)

NABARD is set up by the Government of India as a development bank with the mandate of facilitating credit flow for promotion and development of agriculture and integrated rural development. It is an apex institution handling matters concerning policy, planning and operations in the field of credit for agriculture and for other economic and developmental activities in rural areas.

For more details go to the following link:

http://www.nabard.org/nabardrolefunct/nabardrole_n_functions.asp

3. National Cooperative Development Corporation (NCDC)

The National Cooperative Development Corporation (NCDC) was established by an Act of Parliament in 1963 as a statutory Corporation under the Ministry of Agriculture. NCDC Act has been further amended which will broaden the area

of operation of the Corporation to assist different types of cooperatives and to expand its financial base.

NCDC has been implementing a Central Sector/Corporation Sponsored Scheme for providing financial assistance towards setting-up of agro-based processing units.

For more details go to the following link:

http://www.ncdc.in/Activities_files/ProcessingIndustrialService.htm

4. National Dairy Development Board (NDDB)

The National Dairy Development Board – initially registered as a society under the Societies Act 1860 – was merged with the erstwhile Indian Dairy Corporation, a company formed and registered under the Companies Act 1956 by an Act of Parliament Of India- The NDDB Act 1987 (37 Of 1987), with effect from 12th October, 1987. The new body corporate was declared an institution of national importance by the Act.

The Dairy Board implements cooperative development and governance programmes across the country.

For more details go to the following link:

<http://www.nddb.org/English/Services/CS/Pages/Co-operative-Services.aspx>

5. National Committee for Promotion of Social and Economic Welfare (NCPSEF), Department of Revenue, Ministry of Finance

In order to promote reinvestment of business profits in areas where massive capital input is required for socio-economic development, a tax incentive has been provided under Section 35AC of the Income Tax Act, 1961 allowing for full deduction of the entire amount paid by a taxpayer carrying on a business or profession for financing projects or schemes promoting social and economic welfare. For aforesaid purpose the Central Government has constituted this Committee with the following functions:

To approve associations and institutions for the purpose of carrying out any eligible project or scheme; and To recommend to the Central Government projects and scheme of any company including a public sector company, a local authority or an approved association or institution, for being notified as eligible projects or scheme.

For more details go to the following link:

http://dor.gov.in/overview_direct

<http://dor.gov.in/functions>

http://dor.gov.in/sites/upload_files/revenue/files/pdf/ncps.pdf

6. Indian Farmers Fertilizers Cooperative Limited (IFFCO)

Indian Farmers Fertiliser Co-operative Limited (IFFCO) was registered on November 3, 1967 as a Multi-unit Co-operative Society. On the enactment of the Multi-State Co-operative Societies act 1984 & 2002, the Society is deemed to be registered as a Multi-State Co-operative Society. The Society is primarily engaged in production and distribution of fertilisers. The byelaws of the Society provide a broad frame work for the activities of IFFCO as a Co-operative Society.

For more details go to the following link:

<http://125.19.12.220/ifc/web.nsf/vwleftlinks/CoopServices>

7. Krishak Bharati Cooperative Limited (KRIBHCO)

Krishak Bharati Cooperative Ltd. (KRIBHCO) is a Multi-State Cooperative Society registered under the Multi-State Cooperative Societies (MSCS) Act, 2002 (39 of 2002) and is a fertilizer production unit in the Cooperative Sector and as per item 5 of Schedule II to Rule 3 of the Government of India (Allocation of Business) Rules is under the administrative responsibility of the Department of Fertilizers. KRIBHCO is primarily a fertilizer production cooperative having production unit at Hazira (Surat) in the state of Gujarat.

For more details go to the following link:

http://www.kribhco.net/index.php?option=com_content&view=article&id=88&Itemid=64&lang=en

http://www.kribhco.net/index.php?option=com_content&view=article&id=119&Itemid=177&lang=en

8. Khadi & Village Industries Commission (KVIC)

The Khadi and Village Industries Commission (KVIC) is a statutory body established by an Act of Parliament (No. 61 of 1956, as amended by act no. 12 of 1987 and Act No.10 of 2006. In April 1957, it took over the work of former All India Khadi and Village Industries Board.

For more details go to the following link:

http://www.kvic.org.in/index.php?option=com_content&view=article&id=181&Itemid=160

http://www.kvic.org.in/index.php?option=com_content&view=article&id=352&Itemid=322

9. Department of Agriculture & Cooperation, Ministry of Agriculture, GOI

The Department of Agriculture & Co-Operation is organised into 24 Divisions, and a Technology Mission on Oilseeds and Pulses. In Addition it has 4 attached Offices and 20 Sub-Ordinate Offices. There are Two Public Sector Undertakings, Seven autonomous Bodies and eleven national level Co-operative Organisation with the Department.

For more details go tot the following link:

<http://agricoop.nic.in/dacdivision/cooperation.htm>

10. Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, GOI

The Department of Animal Husbandry and Dairying (AH&D) – now renamed as Department of Animal Husbandry Dairying & Fisheries (DADF) is one of the Departments in the Ministry of Agriculture and came into existence w.e.f. 1stFebruary, 1991, by converting two divisions of the Department of Agriculture and Cooperation namely Animal Husbandry and Dairy Development into a separate Department. The Fisheries Division of the Department of Agriculture and Cooperation and a part of the Ministry of Food Processing Industries were later transferred to this Department w.e.f. 10th October, 1997.

For more details go to the following link:

<http://www.dahd.nic.in/dahd/about-us.aspx>

<http://www.dahd.nic.in/dahd/WriteReadData/Annual%20Report%20English%202011-12.pdf>

11. National Agricultural Cooperative Marketing Federation of India Limited (NAFED)

National Agricultural Cooperative Marketing Federation of India Ltd.(NAFED) was established on 2nd October 1958. NAFED is registered under the Multi-State Co-operative Societies Act. NAFED was setup with the object to

promote Co-operative marketing of Agricultural Produce to benefit the farmers. Agricultural farmers are the main members of NAFED, who have the authority to say in the form of members of the General Body in the working of NAFED.

For more details go to the link:

<http://www.nafed-india.com/industrial-activities.asp>

12. National Cooperative Agriculture & Rural Development Banks' Federation Limited (NCARDB)

National Cooperative Agriculture & Rural Development Banks' Federation Ltd is the Apex level organization of Agriculture & Rural Development Banks of the sector. The Federation was set up in 1960 & is administered under the Multi-State Cooperative Societies Act, 2002.

For more details go to the following link:

http://www.nafcard.org/byelaws_ru.htm

13. National Federation of State Cooperative Banks Limited (NAFSCOB)

The National Federation of State Cooperative Banks Ltd. (NAFSCOB), was established on 19th May, 1964 with a view to facilitate the operations of State and Central Cooperative Banks in general and development of Cooperative Credit in particular.

For more details go to the following link:

http://nafscob.org/about_f.htm

14. National Federation of State Cooperative Banks Limited (NAFSCOB)

The National Federation of State Cooperative Banks Ltd. (NAFSCOB), was established on 19th May, 1964 with a view to facilitate the operations of State and Central Cooperative Banks in general and development of Cooperative Credit in particular.

For more details go to the following link:

http://nafscob.org/about_f.htm

15. National Federation of Urban Co-op Banks & Credit Societies Limited (NAFCUB)

The National Federation of Urban Cooperative Banks and Credit Societies Ltd, is the Apex level promotional body of urban cooperative banks and credit societies in the country. The Federation is recognized by Reserve Bank of India, Central and State Governments as the spokesperson of the sector.

For more details go to the following link:

<http://www.nafcub.org/index.html#>

16. National Cooperative Dairy Federation of India Limited (NCDFI)

National Cooperative Dairy Federation of India (NCDFI), based at Anand (Gujarat), is the Apex organisation for the Cooperative Dairy Sector. Its members include dairy cooperatives of States and Union Territories. Primary objective of NCDFI is to facilitate the working of dairy cooperatives through coordination, networking and advocacy.

For more details go to the following link:

<http://www.indiadairy.coop/index.html>

17. National Cooperative Housing Federation of India (NCHF)

The National Cooperative Housing Federation of India (NCHF) is the nationwide organization of the Indian Cooperative Housing Movement. It was founded in September, 1969 by the Apex Cooperative Housing Federations.

The basic thrust of its formation was to have an organization at the national level to assume the responsibility of promoting, developing and coordinating the activities of Housing Cooperatives in the country.

For more details go to the following link:

http://www.nchfindia.net/index.php?option=com_content&task=view&id=203&Itemid=279

18. National Federation of Cooperative Sugar Factories Limited (NFCSF)

The National Federation of Cooperative Sugar Factories Ltd (NFCSF) was registered as a Multi-Unit Cooperative Society on December 2, 1960 under the

provisions of Bombay Cooperative Societies Act 1925 as extended to the Union Territory of Delhi. In 1972, it was deemed to be under The Delhi Cooperative Societies Act 1972 and later under the Multi-State Cooperative Societies Act 1984. Since, 2002, NFCSF is deemed to be under the Multi-State Cooperative Societies Act, 2002.

NFCSF owes its establishment to the following resolution adopted at the first all India seminar on Co-operative Sugar Factories, held in Etikoppaka, Andhra Pradesh in 1957.

For more details go to the following link:

<http://coopsugar.org/about.php>

19. Tribal Cooperative Marketing Development Federation of India Limited (TRIFED)

The Ministry of Tribal Affairs was constituted in October 1999 with the objective of providing more focused attention on the integrated socio-economic development of the most under-privileged sections of the Indian society namely, the Scheduled Tribes (STs), in a coordinated and planned manner. The Ministry of Tribal Affairs is the nodal Ministry for the overall policy, planning and coordination of programmes for development of STs. To this end, the Ministry of Tribal Affairs undertakes activities that flow from the subjects allocated under the Government of India (Allocation of Business) Rules, 1961.

For more details go to the following link:

<http://tribal.gov.in/index1.asp?linkid=325&langid=1>

20. Institute of Rural Management Anand (IRMA)

IRMA was established in 1979 at Anand, Gujarat with the support of the Swiss Agency for Development Cooperation (SDC), the Government of India, the Government of Gujarat, erstwhile Indian Dairy Corporation and the National Dairy Development Board to provide management education, training, research and consultancy support to co-operatives and rural development organisations in India.

IRMA is a unique institution of rural management. IRMA stands out as an institute with a mission. IRMA's mission is to promote sustainable, ecologically-friendly and the equitable socio-economic development of rural people through professional management.

For more details go to the following link:

<https://www.irma.ac.in/institute/institute.php>

21. Vaikunth Mehta National Institute of Co-operative Management (VAMNICOM)

As a tribute to the doyen of the Cooperative Movement late Shri Vaikunth Mehta, the National Institute was named after him, as Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) in April 1967. The Government of India provides grants-in-aid to National Council for Cooperative Training (NCCT), New Delhi to meet the establishment and other costs of VAMNICOM. The Vaikunth Mehta National Institute of Cooperative Management has been contributing over the years to the Cooperative Movement through its activities viz. Management Training, Management Education, Research & Publication, Consultancy, and other related activities.

For more details go to the following link:

<http://vamnicom.gov.in/HOME.HTML>

22. Regional Institute of Co-operative Management (RICM)

RICM is one of Chandigarh's leading training institutions with a long-term commitment to develop leaders of the future, people who have an interest in and commitment to contributing to the economic, cultural and social future of the region and the country. With more than 50 years of educational experience, the RICM, combining tradition with a strong sense of innovation and exploration is regarded as one of the most research-intensive institutions in the states of Punjab Haryana, Himachal Pradesh, Delhi, Jammu & Kashmir as well as the Union Territory of Chandigarh.

RICM is functioning under the aegis of the National Council for Cooperative Training (NCCT), New Delhi funded by the Ministry of Agriculture and Cooperation as per Govt. of India norms.

For more details go to the following link:

<http://www.ricmchandigarh.org/index.html>

23. National Cooperative Union of India (NCUI)

The Cooperative Movement in India was formally introduced with the promulgation of Cooperative Societies Act in 1904. The National Cooperative

Union of India (NCUI), the Apex Organisation of the Indian Cooperative Movement traced back its origin in 1929.

When All India Provincial Cooperative Institutes Association came into being with Shri Lallubhai Samal Das Mehta as its first President. Having been reorganised as Indian Cooperative Union, it was renamed later as All India Cooperative Union in 1954 and re-christened as National Cooperative Union of India in 1961.

For more details go to the following link:

<http://www.ncui.net/index.html>

<http://www.ncui.net/Coop-connect.html>

24. National Council for Co-operative Training (NCCT)

National Council for Cooperative Training (established in 1962) has been constituted by the National Cooperative Union of India under its bye-laws with the concurrence of Govt. of India, Ministry of Agriculture, Department of Agriculture and Cooperation. The Council is responsible for organising, directing, monitoring and evaluating the arrangements for cooperative training for the personnel working in the Cooperative sector in the country. The main objective of the Council is to organise need based training programmes and facilitate the process of human resource development for cooperatives for the country. It also envisages to conduct research in critical areas of cooperative movement.

For more details go to the following link:

<http://ncct.info/index.html>

25. Indira Gandhi Institute of Cooperative Management (IGICM)

The objective of IGICM, Lucknow is to inject the Professionalisation of Management in the Co-operative enterprises. From the very beginning the Institute has been acting as a nodal agency for the various training, research and consultancy needs of the Co-operative Institutions and department in the State. It also serves as a think tank to sort-out the specific problems of the co-operatives in this State.

The Institute offers need based job oriented training programmes suiting to the target group of officers of government department and co-operative institutions.

For more details go to the following link:

<http://icmlko.up.nic.in/>

26. Dr. Vithalarao Vikhe Patil Institute of Cooperative Management (ICM)

The Institute of Cooperative Management, Pune formerly known as Cooperative Training college, has the distinction of bringing the first ICM in the Country set up to impart training to the Cooperative personnel in 1947, It has been engaged in conducting training programmes for the intermediate as well as senior executives of the Cooperative Institutions and the Officers of the Cooperative Department from its inception.

For more details go to the following link:

<http://www.icmpune.org/new/index.php>

27. DNS Regional Institute of Cooperative Management

Established by the Agricultural Credit Department of Reserve Bank of in the year 1954-55, DNSRICM is one of the 20 residential Institutes of Cooperative Management in India run by the National Council of Cooperative Training(NCUI), New Delhi and financed by Govt. of India, Ministry of Agriculture, Department of Agriculture and Cooperation. In October 1997 the Institute was upgraded as Regional Institute of Cooperative Management so as to make its activities more broad-based.

The main objective of the Institute is to develop Human Resources in the Cooperative Movement for efficient, effective and professionalised cooperative management. In pursuance of the above objectives the Institute caters to the management training needs of the Department and Institutional personnel of **Bihar** and a few States and Union Territories.

For more details go to the following link:

<http://ricmpatna.bih.nic.in/About.htm>

28. Madhusudan Institute of Co-operative Management (MICM)

The Madhusudan Institute of Co-operative Management (MICM) is one of the premier management institute of the State established in the year 1955-56. The MICM is functioning under the aegis of National Council for Co-operative

Training (NCCT), New Delhi, being financed by the Ministry of Agriculture, (Department of Co-operation) Government of India.

The basic objective of the Institute is to develop human resources for efficient management by organizing various management training programmes. MICM offers various Diploma courses and MDPs for the personnel working in Cooperative Institutions and employees of cooperation and allied department of Government of Orissa.

For more details go to the following link:

<http://icmbhubaneswar.nic.in/>

29. The World Bank

The World Bank is one of the world's largest sources of funding and knowledge for developing countries. India is one of our oldest members, having joined the institution at its inception in 1944.

In India, the World Bank works in close partnership with the Central and State Governments. It also works with other development partners: bilateral and multilateral donor organizations, nongovernmental organizations (NPOs), the private sector, and the general public—including academics, scientists, economists, journalists, teachers, and local people involved in development projects.

For more details go to the following link:

<http://www.worldbank.org.in/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/INDIAEXTN/0,,contentMDK:20195738~pagePK:141137~piPK:141127~theSitePK:295584,00.html>

30. International Monetary Fund (IMF)

The IMF was conceived at a United Nations conference convened in Bretton Woods, New Hampshire, United States, in July 1944.

The IMF's primary purpose is to ensure the stability of the international monetary system—the system of exchange rates and international payments that enables countries (and their citizens) to transact with one other. This system is essential for promoting sustainable economic growth, increasing living standards, and reducing poverty.

The IMF provides policy advice and financing to members in economic difficulties and also works with developing nations to help them achieve macroeconomic stability and reduce poverty. With its near-global membership of 188 countries,

the IMF is uniquely placed to help member governments take advantage of the opportunities—and manage the challenges—posed by globalization and economic development more generally.

For more details go to the following link:

<http://www.imf.org/external/>

<http://www.imf.org/external/country/IND/index.htm>

31. United Nations

The United Nations is an international organization founded in 1945 after the Second World War by 51 countries committed to maintaining international peace and security, developing friendly relations among nations and promoting social progress, better living standards and human rights.

Due to its unique international character, and the powers vested in its founding Charter, the Organization can take action on a wide range of issues, and provide a forum for its 193 Member States to express their views, through the General Assembly, the Security Council, the Economic and Social Council and other bodies and committees.

For more details go to the following link:

http://www.un.org.in/_layouts/Login/Public.aspx

<http://www.un.org/en/>

32. UNESCO

UNESCO works to create the conditions for a dialogue among civilizations, cultures and peoples, based upon respect for commonly shared values. It is through this dialogue that the world can achieve global visions of sustainable development encompassing observance of human rights, mutual respect and the alleviation of poverty, all of which are at the heart of UNESCO'S mission and activities.

For more details go to the following link:

<http://portal.unesco.org/en/ev.php->

[URL_ID=32906&URL_DO=DO_TOPIC&URL_SECTION=201.html](http://portal.unesco.org/en/ev.php-URL_ID=32906&URL_DO=DO_TOPIC&URL_SECTION=201.html)

33. UNICEF

United Nations Children's Fund is an international charity, headquartered in New York City, that provides long-term humanitarian and developmental assistance to

children and mothers in developing countries. It is one of the members of the United Nations Development Group and its Executive Committee. UNICEF was created by the United Nations General Assembly on December 11, 1946,

UNICEF has been working in India since 1949. The largest UN organisation in the country, UNICEF is fully committed to working with the Government of India to ensure that each child born in this vast and complex country gets the best start in life, thrives and develops to his or her full potential.

For more details go to the following link:

<http://www.unicef.org/india/support.html>

34. International Finance Corporation (IFC)

IFC is a member of the World Bank Group and is headquartered in Washington D.C., United States. Established in 1956, IFC is the largest multilateral source of loan and equity financing for private sector projects in the developing world. IFC has 182 member countries, which collectively determine its policies and approve investments.

Its work in more than a 100 developing countries allows companies and financial institutions in emerging markets to create jobs, generate tax revenues, improve corporate governance and environmental performance, and contribute to their local communities.

IFC's vision is that people should have the opportunity to escape poverty and improve their lives.

For more details go to the following link:

http://www1.ifc.org/wps/wcm/connect/corp_ext_content/ifc_external_corporate_site/about+ifc

35. World Health Organization (WHO)

The World Health Organization is a specialized agency of the United Nations (UN) that is concerned with international, public health. It was established on 7 April 1948, with headquarters in Geneva, Switzerland and is a member of the United Nations Development Group.

Its priorities include communicable diseases, in particular, HIV/AIDS, malaria and tuberculosis; the mitigation of the effects of non-communicable diseases; sexual and reproductive health, development, and ageing; nutrition, food security and healthy eating; substance abuse; and drive the development of reporting, publications, and networking. WHO is responsible for the WORLD HEALTH

REPORT, a leading international publication on health, the worldwide World Health Survey, and World Health Day.

For more details go to the following link:

<http://www.who.int/civilsociety/en/>

36. Food and Agriculture Organization of the United Nations (FAO)

The Food and Agriculture Organization of the United Nations (FAO) is a specialised agency of the United Nations that leads international efforts to defeat hunger. Serving both developed and developing countries, FAO acts as a neutral forum where all nations meet as equals to negotiate agreements and debate policy.

FAO is also a source of knowledge and information, and helps developing countries and countries in transition modernize and improve agriculture, forestry and fisheries practices, ensuring good nutrition and food security for all.

For more details go to the following link:

http://www.fao.org/index_en.htm

37. International Labour Organization (ILO)

The International Labour Organization (established in 1919) is an agency of the United Nations that deals with labour issues pertaining to international labour standards and decent work for all. Its headquarters are in Geneva, Switzerland. Its secretariat — the people who are employed by it throughout the world — is known as the International Labour Office. The organization received the Nobel Peace Prize in 1969. It has no power to impose any sanctions on governments. As of 2012, the ILO has 184 member countries.

India, a Founding Member of the ILO, has been a permanent member of the ILO Governing Body since 1922. The first ILO Office in India started in 1928.

For more details go to the following link:

<http://www.ilo.org/global/about-the-ilo/lang-en/index.htm>

38. European Union (EU)

The **European Union (EU)** is an economic and political union or confederation of 27 member states which are located primarily in Europe. The EU traces its origins from the European Coal and Steel Community (ECSC) and the European Economic Community (EEC), formed by six countries in 1958. In the intervening

years the EU has grown in size by the accession of new member states and in power by the addition of policy areas to its remit.

For more details go to the following link:

http://europa.eu/pol/dev/index_en.htm

39. CICOPA (International Organisation of Industrial, Artisanal and Service Producers' Co-operatives)

CICOPA (International Organisation of Industrial, Artisanal and Service Producers' Co-operatives) is the branch of the International Co-operative Alliance that promotes worker cooperatives. Headquartered in Geneva, Switzerland, CICOPA has a membership of 57 national and regional cooperative federations in 39 countries. Its associated members are support organizations promoting cooperatives in their regions.

For more details go to the following link:

<http://www.cicopa.coop/What-is-CICOPA.html>

<http://www.cicopa.coop/What-is-a-cooperative.html>

Appendices

FORM 1

(See sub-rule (1) of rule3)

Application for registration of a Multi-State Cooperative Society under the Multi-State Cooperative Societies Act, 2002

To,

The Central Registrar of Cooperative Societies
New Delhi

Sir,

We submit herewith a proposal for registration of the following Multi-State Co-operative Society along with enclosures as indicated below:

1.	We also declare that the information given herewith including that in the enclosures is correct to the best of our knowledge:		
(a)	Name of the proposed Multi-State Co-operative Society;	:	
(b)	Headquarters and address to be registered;	:	
(c)	Area of operation	:	
(d)	Main objectives	:	
(e)	Why is it absolutely necessary for the society to be registered under the Multi- State Cooperative Societies Act, 2002;	:	
(f)	A certificate in respect of provisions of clause (b) of sub section (1) of section 7;	:	
(g)	A certificate in respect of provisions of clause (c) of sub section (1) of	:	

Handbook of Cooperative Society & Non Profit Organisations

		section 7;		
	(h)	A certificate in respect of provisions of clause (d) of sub section (1) of section 7;	:	
	(i)	If all the members are individual, indicate the number of persons from each State who have signed the application.	:	Name of the State Number of persons who have signed the Application
	(j)	Name and address of the applicant for the purpose of further correspondence.		
2.		Following documents are enclosed:		
	(a)	A certificate from the stating credit balance therein favour of the proposed multi-State cooperative society.		
	(b)	A scheme explaining how the proposed Multi-State Cooperative Society has reasonable prospects of becoming a viable unit. We are sending herewith four copies of the bye-laws duly signed.		
3.		Following persons are authorized to sign the bye-laws and also to make necessary alteration therein.		
4.		The particulars of the applicants are given hereunder		

<p>Only 'Individuals' to affix recent photograph (2.5 cm x 2.5 cm)</p>	<p>Form No. 49A Application for Allotment of Permanent Account Number [In the case of Indian Citizens/Indian Companies/Entities incorporated in India/ Unincorporated entities formed in India] Under section 139A of the Income Tax Act, 1961 To avoid mistake (s), please follow the accompanying instructions and examples before filling up the form</p>	<p>Only 'Individuals' to affix recent photograph (2.5 cm x 2.5 cm)</p>								
<p>Assessing officer (AO code)</p> <table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <th style="width: 25%;">Area code</th> <th style="width: 25%;">AO type</th> <th style="width: 25%;">Range code</th> <th style="width: 25%;">AO No.</th> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> <td></td> </tr> </table>			Area code	AO type	Range code	AO No.				
Area code	AO type	Range code	AO No.							
<p>Applicant/Incorporator across the photo</p>	<p>Sir, I/We hereby request that a permanent account number be allotted to me/us. I/We give below necessary particulars:</p>	<p>Signature/Left Thumb Impression</p>								
<p>1 Full Name (Full expanded name to be mentioned as appearing in proof of identity/address documents; initials are not permitted)</p>										
<p>Please select title, <input checked="" type="checkbox"/> is applicable <input type="checkbox"/> Shri <input type="checkbox"/> Smt. <input type="checkbox"/> Karami <input type="checkbox"/> M/s</p> <p>Last Name / Surname <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>First Name <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>Middle Name <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p>										
<p>2 Abbreviations of the above name, as you would like it, to be printed on the PAN card</p>										
<table border="1" style="width: 100%; border-collapse: collapse; height: 20px;"> <tr> <td style="width: 100%;"></td> </tr> </table>										
<p>3 Have you ever been known by any other name? <input type="checkbox"/> Yes <input type="checkbox"/> No (Please tick as applicable)</p>										
<p>If yes, please give that other name</p> <p>Please select title, <input checked="" type="checkbox"/> is applicable <input type="checkbox"/> Shri <input type="checkbox"/> Smt. <input type="checkbox"/> Karami <input type="checkbox"/> M/s</p> <p>Last Name / Surname <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>First Name <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>Middle Name <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p>										
<p>4 Gender (for individual applicants only) <input type="checkbox"/> Male <input type="checkbox"/> Female (Please tick as applicable)</p>										
<p>5 Date of Birth/Incorporation/Agreement/Partnership or Trust Deed/ Formation of Body of individuals or association of Persons</p>										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Day</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Year</td> </tr> <tr> <td style="text-align: center;"><table border="1" style="width: 20px; height: 20px;"></table></td> <td style="text-align: center;"><table border="1" style="width: 20px; height: 20px;"></table></td> <td style="text-align: center;"><table border="1" style="width: 20px; height: 20px;"></table></td> </tr> </table>			Day	Month	Year	<table border="1" style="width: 20px; height: 20px;"></table>	<table border="1" style="width: 20px; height: 20px;"></table>	<table border="1" style="width: 20px; height: 20px;"></table>		
Day	Month	Year								
<table border="1" style="width: 20px; height: 20px;"></table>	<table border="1" style="width: 20px; height: 20px;"></table>	<table border="1" style="width: 20px; height: 20px;"></table>								
<p>6 Father's Name (Only 'Individuals' applicants; even married women should fill in father's name only)</p>										
<p>Last Name / Surname <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>First Name <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>Middle Name <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p>										
<p>7 Address</p>										
<p>Residence Address</p> <p>Flat/Room/ Door / Block No. <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>Name of Premises/ Building/ Village <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>Road/Street/ Lane/Post Office <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>Area / Locality / Taluka/ Sub-Division <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>Town / City / District <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>State / Union Territory <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p style="text-align: right;">Pincode / Zip code <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table> Country Name <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p>										
<p>Office Address</p> <p>Name of office <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>Flat/Room/ Door / Block No. <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>Name of Premises/ Building/ Village <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>Road/Street/ Lane/Post Office <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>Area / Locality / Taluka/ Sub-Division <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>Town / City / District <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p>State / Union Territory <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p> <p style="text-align: right;">Pincode / Zip code <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table> Country Name <table border="1" style="width: 100%; border-collapse: collapse; height: 15px;"></table></p>										
<p>8 Address for Communication <input type="checkbox"/> Residence <input type="checkbox"/> Office (Please tick as applicable)</p>										

9 Telephone Number & Email ID details	
Country code	Area/STD Code
<input type="text"/>	<input type="text"/>
Telephone / Mobile number	
<input type="text"/>	
Email ID	
<input type="text"/>	
10 Status of applicant	
Please select status: <input checked="" type="checkbox"/> is applicable	
<input type="checkbox"/> Individual	<input type="checkbox"/> Hindu undivided family
<input type="checkbox"/> Firm	<input type="checkbox"/> Body of individuals
<input type="checkbox"/> Company	<input type="checkbox"/> Local Authority
<input type="checkbox"/> Partnership Firm	<input type="checkbox"/> Artificial Juridical Persons
<input type="checkbox"/> Government	<input type="checkbox"/> Association of Persons
<input type="checkbox"/> Limited liability Partnership	
11 Registration Number (for company, firms, LLPs, etc.)	
<input type="text"/>	
12 In case of a citizen of India, then	
Please mention your Aadhaar number (if allotted)	
<input type="text"/>	
13 Source of income	
Please select status: <input type="checkbox"/> is applicable	
<input type="checkbox"/> Salary	<input type="checkbox"/> Capital Gains
<input type="checkbox"/> Income from Business / Profession	<input type="checkbox"/> Income from Other sources
<input type="checkbox"/> Income from House property	<input type="checkbox"/> No Income
Business/Profession code	Per Code/Refer instructions)
<input type="text"/>	<input type="text"/>
14 Representative Assessee (RA)	
Full name, address of the Representative Assessee, who is assessable under the Income Tax Act in respect of the person, whose particulars have been given in the column 1-13.	
Full Name (full expanded name; initials are not permitted)	
Please select title: <input checked="" type="checkbox"/> is applicable <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms/Ms/Ms	
Last Name / Surname	
<input type="text"/>	
First Name	
<input type="text"/>	
Middle Name	
<input type="text"/>	
Address	
Flat/Room/ Door / Block No.	<input type="text"/>
Name of Premises/ Building/ Village	<input type="text"/>
Road/Street/ Lane/Post Office	<input type="text"/>
Area / Locality / Taluka/ Sub-Division	<input type="text"/>
Town / City / District	<input type="text"/>
State / Union Territory	Pincode
<input type="text"/>	<input type="text"/>
15 Documents submitted as Proof of Identity (POI) and Proof of Address (POA)	
I/We have enclosed <input type="text"/> as proof of identity and <input type="text"/> as proof of address.	
(Please refer to the instructions (as specified in Rule 114 of I.T. Rules, 1962) for list of mandatory certified documents to be submitted as applicable)	
16 I/We <input type="text"/> the applicant, in the capacity of <input type="text"/>	
do hereby declare that what is stated above is true to the best of my/our information and belief.	
Place	<input type="text"/>
Date	<input type="text"/>
	Signature / Left Thumb Impression of Applicant (inside the box)

Handbook of Cooperative Society & Non Profit Organisations

		<p>For example XYZ DATA CORPORATION (INDIA) PRIVATE LIMITED should be written as:</p> <table border="1"> <tr> <td>Last Name/Surname</td> <td>X</td><td>Y</td><td>Z</td> <td>D</td><td>A</td><td>T</td><td>A</td> <td>C</td><td>O</td><td>R</td><td>P</td><td>O</td><td>R</td><td>A</td><td>T</td><td>I</td><td>O</td><td>N</td> <td>I</td><td>I</td><td>N</td><td>D</td> </tr> <tr> <td>First Name</td> <td></td><td></td><td></td> <td>I</td><td>A</td><td>J</td> <td>F</td><td>E</td><td>I</td><td>V</td><td>A</td><td>T</td><td>E</td> <td>L</td><td>I</td><td>M</td><td>I</td><td>T</td><td>E</td><td>D</td> <td></td><td></td><td></td><td></td> </tr> <tr> <td>Middle Name</td> <td></td><td></td><td></td> <td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> <p>For example MANDI MAFATIAL DAVE (HUF) should be written as:</p> <table border="1"> <tr> <td>Last Name/Surname</td> <td>M</td><td>A</td><td>N</td><td>D</td><td>I</td> <td>M</td><td>A</td><td>F</td><td>A</td><td>T</td><td>I</td><td>A</td><td>L</td> <td>D</td><td>A</td><td>V</td><td>E</td> <td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>First Name</td> <td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>Middle Name</td> <td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> <p>In case of Company, the name should be provided without any abbreviations. For example, different variations of 'Private Limited' viz. Pvt Ltd, Private Ltd, Pvt Limited, P Ltd, P. Ltd., P. Ltd are not allowed. It should be 'Private Limited' only.</p> <p>In case of sole proprietorship concern, the proprietor should apply for PAN in his/her own name. Name should not be prefixed with any title such as Shri, Smt, Kumari, Dr., Major, M/s etc.</p>	Last Name/Surname	X	Y	Z	D	A	T	A	C	O	R	P	O	R	A	T	I	O	N	I	I	N	D	First Name				I	A	J	F	E	I	V	A	T	E	L	I	M	I	T	E	D					Middle Name																						Last Name/Surname	M	A	N	D	I	M	A	F	A	T	I	A	L	D	A	V	E							First Name																								Middle Name																							
Last Name/Surname	X	Y	Z	D	A	T	A	C	O	R	P	O	R	A	T	I	O	N	I	I	N	D																																																																																																																										
First Name				I	A	J	F	E	I	V	A	T	E	L	I	M	I	T	E	D																																																																																																																												
Middle Name																																																																																																																																																
Last Name/Surname	M	A	N	D	I	M	A	F	A	T	I	A	L	D	A	V	E																																																																																																																															
First Name																																																																																																																																																
Middle Name																																																																																																																																																
2	Abbreviation of the full name to be printed on the PAN card	<p>Individual applicants should provide full/abbreviated name to be printed on the PAN card. Name, if abbreviated, should necessarily contain the last name. For example: SATYAM VENKAT M. K. RAO which is written in the Name field as:</p> <table border="1"> <tr> <td>Last Name/Surname</td> <td>R</td><td>A</td><td>O</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>First Name</td> <td>S</td><td>A</td><td>T</td><td>Y</td><td>A</td><td>M</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>Middle Name</td> <td>V</td><td>E</td><td>N</td><td>K</td><td>A</td><td>T</td> <td>M</td><td>K</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> <p>Can be written as in 'Name to be printed on the PAN Card' column as SATYAM VENKAT M. K. RAO or S. V. M. K. RAO or SATYAM V. M. K. RAO</p> <p>For non individual applicants, this should be same as last name field in item no. 1 above.</p>	Last Name/Surname	R	A	O																					First Name	S	A	T	Y	A	M																	Middle Name	V	E	N	K	A	T	M	K																																																																																						
Last Name/Surname	R	A	O																																																																																																																																													
First Name	S	A	T	Y	A	M																																																																																																																																										
Middle Name	V	E	N	K	A	T	M	K																																																																																																																																								
3	Have you ever been known by any other name?	If applicant selects 'Yes', then it is mandatory to provide details of the other name. Instructions in item No. 1 with respect to name apply here. Title should be similar to the title mentioned in item No. 1.																																																																																																																																														
4	Gender	This field is mandatory for individuals. Field should be left blank in case of other applicants.																																																																																																																																														
5	Date of Birth/Incorporation/ Agreement /Partnership or Trust Deed/Formation of Body of Individuals/ Association of Persons	<p>Date cannot be a future date. Date: 2nd August 1975 should be written as:</p> <table border="1"> <tr> <td>D</td><td>D</td><td>M</td><td>M</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td> </tr> <tr> <td>0</td><td>2</td><td>0</td><td>8</td><td>1</td><td>9</td><td>7</td><td>5</td> </tr> </table> <p>Relevant date for different categories of Applicants is:</p> <p>Individual: Actual Date of Birth; Company: Date of incorporation; Association of Persons: Date of formation/creation; Trusts: Date of creation of Trust Deed; Partnership Firms: Date of Partnership Deed; LLPs : Date of Incorporation/Registration; HUFs: Date of creation of HUF and for ancestral HUF date can be 01-01-0001 where the date of creation is not available.</p>	D	D	M	M	Y	Y	Y	Y	0	2	0	8	1	9	7	5																																																																																																																														
D	D	M	M	Y	Y	Y	Y																																																																																																																																									
0	2	0	8	1	9	7	5																																																																																																																																									
6	Father's Name	Applicable to individuals only. Instructions in Item No.1 with respect to name apply here. Married woman applicant should give father's name and not husband's name.																																																																																																																																														
7	Address – Residence and office	<p>R - Residence Address: For Individuals, HUF, AOP, BCI or AIP, residential address is mandatory. Other applicants should leave this field blank.</p> <p>O - Office Address: [1] Name of Office and address to be mentioned in case of individual's having source of income as salary or Business/profession [Item No.13]. [2] In case of Firm, LLP, Company, Local Authority and Trust, name of office and complete address of office is mandatory.</p> <p>For all categories of applicants, it is necessary to mention complete address and the details of Town/City/District, State/Union Territory, and PINCODE are mandatory.</p> <p>In case, a foreign address is provided then it is mandatory to provide Country Name along with ZIP Code of the country.</p>																																																																																																																																														
8	Address for communication	Individuals/HUFs/AOP/BCI/AIP may indicate either 'Residence' or 'Office' and other applicants should necessarily indicate 'Office' as the Address for Communication.																																																																																																																																														

		All communication will be sent at the address indicated in this field.																																												
9	Telephone Number and E-mail ID	<p>(1) Telephone number should include country code (SD code) and STD code or Mobile No. should include Country code(SD Code).</p> <p>For example:</p> <p>(i) Telephone number 2355705 of Delhi should be written as</p> <table border="1" style="margin-left: 40px;"> <tr> <td>Country code</td> <td>STD Code</td> <td>Telephone Number / Mobile number</td> </tr> <tr> <td>9 1</td> <td>1 1</td> <td>2 3 5 5 7 0 5</td> </tr> </table> <p>Where '91' is the country code of India and 11 is the STD Code of Delhi.</p> <p>(ii) Mobile number 9102511111 of India should be written as</p> <table border="1" style="margin-left: 40px;"> <tr> <td>Country code</td> <td>STD Code</td> <td>Telephone Number / Mobile number</td> </tr> <tr> <td>9 1</td> <td></td> <td>9 1 0 2 5 1 1 1 1 1</td> </tr> </table> <p>Where '91' is the country code of India.</p> <p>(2) It is mandatory for the applicants to mention either their "Telephone number" or valid "e-mail id" so that they can be contacted in case of any discrepancy in the application and/or for receiving PAN through e-mail.</p> <p>(3) Application status updates are sent using the SMS facility on the mobile numbers mentioned in the application form.</p>	Country code	STD Code	Telephone Number / Mobile number	9 1	1 1	2 3 5 5 7 0 5	Country code	STD Code	Telephone Number / Mobile number	9 1		9 1 0 2 5 1 1 1 1 1																																
Country code	STD Code	Telephone Number / Mobile number																																												
9 1	1 1	2 3 5 5 7 0 5																																												
Country code	STD Code	Telephone Number / Mobile number																																												
9 1		9 1 0 2 5 1 1 1 1 1																																												
10	Status of Applicant	This field is mandatory for all categories of applicants. In case of 'Limited Liability Partnership', the PAN will be allotted in 'Firm' status.																																												
11	Registration number	Not applicable to Individuals and HUFs. Mandatory for 'Company'. Company should mention registration number issued by the Registrar of Companies. Other applicants may mention registration number issued by any State or Central Government Authority.																																												
12	In case of citizen of India	AADHAAR number, if allotted, has to be quoted (supported by copy of AADHAAR letter/card).																																												
13	Source of Income	<p>It is mandatory to indicate at least one of the sources of income, as mentioned in the form. In case, the income from Business/profession is selected by the applicant then an appropriate business/ profession code should be mentioned.</p> <p>Please refer the table given below to select the business/profession code:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Code</th> <th>Business/Profession</th> <th>Code</th> <th>Business/Profession</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>Medical Profession and Business</td> <td>11</td> <td>Films, TV and such other entertainment</td> </tr> <tr> <td>02</td> <td>Engineering</td> <td>12</td> <td>Information Technology</td> </tr> <tr> <td>03</td> <td>Architecture</td> <td>13</td> <td>Software and Developers</td> </tr> <tr> <td>04</td> <td>Chartered Accountant/Accountancy</td> <td>14</td> <td>Members of Stock Exchange, Share Brokers and Sub-Brokers</td> </tr> <tr> <td>05</td> <td>Interior Decoration</td> <td>15</td> <td>Performing Arts and Arts</td> </tr> <tr> <td>06</td> <td>Technical Consultancy</td> <td>16</td> <td>Operation of Ships, Hovercraft, Aircrafts or Helicopters</td> </tr> <tr> <td>07</td> <td>Company Secretary</td> <td>17</td> <td>Flying Taxis, Lorries, Tractors, Buses or other Commercial Vehicles</td> </tr> <tr> <td>08</td> <td>Legal Practitioner and Solicitors</td> <td>18</td> <td>Ownership of Horses or Jockeys</td> </tr> <tr> <td>09</td> <td>Government Contractors</td> <td>19</td> <td>Cinema Halls and Other Theatres</td> </tr> <tr> <td>10</td> <td>Insurance Agency</td> <td>20</td> <td>Others</td> </tr> </tbody> </table>	Code	Business/Profession	Code	Business/Profession	01	Medical Profession and Business	11	Films, TV and such other entertainment	02	Engineering	12	Information Technology	03	Architecture	13	Software and Developers	04	Chartered Accountant/Accountancy	14	Members of Stock Exchange, Share Brokers and Sub-Brokers	05	Interior Decoration	15	Performing Arts and Arts	06	Technical Consultancy	16	Operation of Ships, Hovercraft, Aircrafts or Helicopters	07	Company Secretary	17	Flying Taxis, Lorries, Tractors, Buses or other Commercial Vehicles	08	Legal Practitioner and Solicitors	18	Ownership of Horses or Jockeys	09	Government Contractors	19	Cinema Halls and Other Theatres	10	Insurance Agency	20	Others
Code	Business/Profession	Code	Business/Profession																																											
01	Medical Profession and Business	11	Films, TV and such other entertainment																																											
02	Engineering	12	Information Technology																																											
03	Architecture	13	Software and Developers																																											
04	Chartered Accountant/Accountancy	14	Members of Stock Exchange, Share Brokers and Sub-Brokers																																											
05	Interior Decoration	15	Performing Arts and Arts																																											
06	Technical Consultancy	16	Operation of Ships, Hovercraft, Aircrafts or Helicopters																																											
07	Company Secretary	17	Flying Taxis, Lorries, Tractors, Buses or other Commercial Vehicles																																											
08	Legal Practitioner and Solicitors	18	Ownership of Horses or Jockeys																																											
09	Government Contractors	19	Cinema Halls and Other Theatres																																											
10	Insurance Agency	20	Others																																											
14	Name and address of Representative Assessee	<p>Section 160 of Income Tax Act, 1961 provides that any person(assessee) can be represented through Representative Assessee. Therefore, this column should be filled in by representative assessee only as specified in Section 160 of the Income-tax Act, 1961, such as, an agent of the non-resident, guardian or manager of a minor, lunatic or idiot, Court of Wards, Administrator General, Official Trustee, receiver, manager, trustee of a Trust including Will.</p> <p>This field will contain particulars of the Representative Assessee. This field is mandatory if applicant is minor, deceased, idiot, lunatic or mentally retarded. Column 1 to 13 will contain details of person on whose behalf this application is submitted.</p> <p>Proof of Identity and Proof of address is also required for representative assessee.</p>																																												
15	Proof of Identity and Proof of Address documents	It is mandatory to attach proof of identity and proof of address with PAN application. Documents should be in the name of applicant. List of documents which will serve as proof of identity and address for each status of applicant is as given below:																																												

Handbook of Cooperative Society & Non Profit Organisations

Document acceptable as proof of identity and address as per Rule 114 of Income Tax Rules, 1962		
For Individuals and HUF		
Sl. No	Proof of Identity (Copy of)	Proof of address (copy of)
1	School leaving Certificate	Electricity Bill ^a
2	Matriculation Certificate	Telephone Bill ^a
3	Degree of recognised educational institution	Employer Certificate ^a
4	Depository Account Statement	Depository Account Statement ^a
5	Bank Account Statement / Passbook	Bank Account Statement / Passbook ^a
6	Credit Card	Credit Card Statement ^a
7	Water Bill	Rent Receipt ^a
8	Ration Card	Ration Card
9	Property Tax Assessment Order	Property Tax Assessment Order
10	Passport	Passport
11	Voter Identity Card	Voter Identity Card
12	Driving License	Driving License
13	Certificate of Identity signed by Member of Parliament or Member of Legislative Assembly or Municipal Councilor or a gazetted officer.	Certificate of address signed by Member of Parliament or Member of Legislative
Note :-		Note:
<p>1. In case of Minor, any of the above mentioned documents as proof of identity and address of any of parents/guardians of such minor shall be deemed to be the proof of identity and address for the minor applicant.</p> <p>2. For HUF, an affidavit made by the Karta of Hindu Undivided Family stating name, father's name and address of all the coparceners as the date of application and copy of any of the above documents in the name of Karta of HUF is required.</p>		<p>1. Proof of Address is required for residence address mentioned in Item no. 7.</p> <p>2. In case of an Indian citizen residing outside India, copy of Bank Account Statement in country of residence or copy of Non-resident (NRI) bank account statements.</p>
Other than Individuals and HUF		
1	Company	Copy of Certificate of Registration issued by the Registrar of Companies.
2	Partnership Firm	Copy of Certificate of Registration issued by the Registrar of Firms or Copy of partnership deed.
3	Jointed liability Partnership	Copy of Certificate of Registration issued by the Registrar of Firms.
4	Trust	Copy of trust deed or copy of certificate of registration number issued by Charity Commissioner.
5	Association of Persons, Body of Individuals, Local Authority, or Artificial Juridical Person	Copy of Agreement or copy of certificate of registration number issued by charity commissioner or registrar of cooperative society or any other competent authority or any other document.
16	Signature / Thumb Impression	Application must be signed by (i) the applicant; or (ii) Karta in case of HUF; or (iii) Director of a Company; or (iv) Authorized Signatures in case of ACP, Body of Individuals, Local Authority and Artificial Juridical Person; or (v) Partner in case of Firm/HUF; or (vi) Trustee; or (vii) Representative Assesee in case of Minor/deceased/idiot/insane/mentally retarded. Applications not signed in the given manner and in the space provided are liable to be rejected.

GENERAL INFORMATION FOR PAN APPLICANTS

- (a) Applicants may obtain the application form for PAN (Form 49A) from any IT PAN Service Centres (managed by UTITSL) or TIN-Facilitation Centres (TIN-FCs)/PAN Centres (managed by NSDL) or any other stationary vendor providing such forms or download from the Income Tax Department website (www.incometaxindia.gov.in)/UTITSL website (www.utitsl.com)/NSDL website (www.tin-nsdl.com).
- (b) The fee for processing PAN application is ₹ 65/- (plus service tax, as applicable). In case, the PAN card is to be dispatched outside India then additional dispatch charge of ₹ 566 will have to be paid by applicant.
- (c) Those already allotted a ten digit alphanumeric PAN shall not apply again as having or using more than one PAN is illegal. However, request for a new PAN card with the same PAN or/and Changes or Correction in PAN data can be made by filing up 'Request for New PAN Card or/and Changes or Correction in PAN Data' form available from any source mentioned in (a) above. The cost of application and processing fee is same as in the case of Form 49A.
- (d) Applicant will receive an acknowledgment containing a unique number on acceptance of this form. This acknowledgment number can be used for tracking the status of the application.

(e) For more information / Application status enquiry contact:

Mode	Income-tax Department	NSDL
Website	www.incometaxindia.gov.in	www.tin-nsdl.com
Call Center	0124-2638000	020-27210080
Email ID		tininfo@nsdl.co.in
SMS		SMS NSD/PAN <space> Acknowledgement No. & send to 57575 to obtain application status. For example → Type 'NSD/PAN 68101010010100' and send to 57575
Address		INCOME TAX PAN SERVICES UNIT (Managed by National Securities Depository Limited), 3rd Floor, Sapphire Chambers, Near Bazar Telephone Exchange, Bazar, Pune - 411 045.

Instructions for filling up Form No. 49B

- (a) Form is to be filled legibly in **ENGLISH** in **BLOCK LETTERS**.
- (b) While filling the form, each box, wherever provided, should contain only one character (alphabet/number/punctuation mark) leaving a blank box after each word.
- (c) Left hand thumb impression, if used, should be attested by a Magistrate or a Notary Public or a Gazetted Officer, under official seal and stamp.
- (d) Deductors/ Collectors are required to provide details of Assessing Officer (TDS /TCS) in the application. These details can be obtained from the Income Tax Office.
- (e) The deductor/collector must fill up Area Code, AO Type, Range Code and AO Number. These details can be obtained from the Income Tax office or TIN Facilitation Centre (TIN-FC) may assist in doing so.
- (f) Form should be filled up completely.
- (g) 'Designation of the person responsible for making payment/collecting tax' field is mandatory to fill up, wherever applicable.
- (h) The address of applicant should be an Indian address only.

Item No.	Item Details	Guidelines for filling up the form
1	Name	Deductor/Collector should fill the details of its name depending on its category in only one of the fields 1 (a) to 1 (h) specified in the form.
1 (a)	Central / State Government/ Local Authority	<p>Central / State Government / Local Authority deductor/collector should fill up the name in this field. Name of Office is mandatory. Name of Organisation/Department/Ministry may be filled with relevant details. For example, if Directorate of Income Tax (systems) in Income Tax Department is applying for a TAN, it should fill the Name fields as:</p> <p>Name of Office : DIRECTORATE OF INCOME TAX (SYSTEMS)</p> <p>Name of Organisation : INCOME TAX DEPARTMENT</p> <p>Name of Department : DEPARTMENT OF REVENUE</p> <p>Name of Ministry : MINISTRY OF FINANCE</p> <p>Category of Central/State Government/Local Authority</p>

Handbook of Cooperative Society & Non Profit Organisations

		deductor/collector Applicant should select its appropriate entry by ticking in the relevant box.
1 (b)	Statutory / Autonomous Bodies	<p>Name of Office is Mandatory. Relevant Box for Statutory Body or Autonomous Body should be ticked by the deductor/collector. For example, if Bandra office of Life Insurance Corporation of India is applying for a TAN, it should fill the Name fields as :</p> <p>Name of Office : LIFE INSURANCE CORPORATION OF INDIA, BANDRA Name of Organisation : LIFE INSURANCE CORPORATION OF INDIA</p>
1 (c)	Company	<p>Details in this field should be filled by the company if it is applying for TAN for the company as a whole. In case company wants to apply different TANs for different divisions/branches, point 1(d) should be filled. Name should be provided without any abbreviations. Different variations of 'Private Limited' viz. Pvt Ltd, Private Ltd, Pvt Limited, P Ltd, P. Ltd., P. Ltd are not allowed. It should be 'Private Limited' or 'Limited' only. For example -</p> <p>Name of Company : ABC PRIVATE LIMITED Category of company - Deductor/Collector should select its appropriate entry by ticking in the relevant box.</p>
1(d)	Branch/ Division of a Company	<p>If Branch/Division of a Company is applying for its separate TAN, it is mandatory to fill the 'Name of Company' and either the Name of Division or the Name/ Location of the Branch (in whose name TAN is sought) in this field. Different Branches of a company applying for separate TANs should fill this field. For example, Cement Division of ABC Private Limited located at Andheri should fill as:</p> <p>Name of Company : ABC PRIVATE LIMITED Name of Division : CEMENT DIVISION Name/Location of Branch: ANDHERI BRANCH OR, ABC Bank of India, Nariman Point Branch, Mumbai should be written as: Name of Company : ABC BANK OF INDIA</p>

		<p>Name of Division :</p> <p>Name/Location of Branch : NARIMAN POINT BRANCH, MUMBAI</p> <p>Category of company- Deductor/Collector should select its appropriate entry by ticking in the relevant box.</p>												
1 (e)	Individual/Hindu Undivided Family (Karta)	<p>First Name is Mandatory. Name of the deductor/collector should be written in full and not in abbreviated form. As an exception, very large Middle names may be abbreviated. Name should not be prefixed with Shri, Smt., M/s, Kumari, Late, Major, Dr., etc.</p> <p>Individuals/ HUFs (Karta) must state their fully expanded name and fill in the appropriate fields for Last, Middle and First Name.</p> <p>For example, Dinesh Kumar Garg will be written as:</p> <table border="0"> <tr> <td>Last Name/Surname</td> <td>First Name</td> <td>Middle Name</td> </tr> <tr> <td>GARG</td> <td>DINESH</td> <td>KUMAR</td> </tr> </table> <p>Or, if middle name is not there, it will be left blank. For example, Gunjan Bansal will be written as :</p> <table border="0"> <tr> <td>Last Name/Surname</td> <td>First Name</td> <td>Middle Name</td> </tr> <tr> <td>BANSAL</td> <td>GUNJAN</td> <td></td> </tr> </table> <p>If a Sole Proprietor/HUF wants to obtain a single TAN in his/her name for all businesses run by him/her/it, then he/she/it should fill name in this field.</p> <p>Deductor/Collector should select its appropriate entry (i.e. Individual/ Hindu Undivided Family) by ticking in the relevant box.</p> <p>Individuals should select appropriate title by ticking in the relevant box for 'Shri', 'Smt', 'Kumari'. HUF will leave the mentioned fields blank.</p>	Last Name/Surname	First Name	Middle Name	GARG	DINESH	KUMAR	Last Name/Surname	First Name	Middle Name	BANSAL	GUNJAN	
Last Name/Surname	First Name	Middle Name												
GARG	DINESH	KUMAR												
Last Name/Surname	First Name	Middle Name												
BANSAL	GUNJAN													
1(f)	Branch of Individual Business (Sole Proprietorship Concern) / Hindu Undivided Family (Karta)	<p>This field should be filled only if TAN is being applied for branch of Individual Business (Sole Proprietorship Concern)/ Hindu Undivided Family (Karta). It is mandatory to fill First Name. Other Title (Dr. Late, Smt etc.) related rules / given in Item No. 1(e) will be applicable here also.</p> <p>In case an Individual/HUF wants to obtain separate TANs for different businesses being run by him/her/it, this category will be applicable. The name of the concern should be filled in the field for Name/Location of Branch.</p>												

- (b) The fee for processing of TAN application to be paid to TIN-FCs is ₹ 55/- (plus service tax, as applicable).
- (c) In case the applicant has already been allotted a ten digit alphanumeric TAN, it should not apply again as having or using more than one TAN is illegal. However, different branches/divisions of a deductor/collector may apply for separate TAN for each branch/division.
- (d) In case deductor/collector has already been allotted TAN and wants any change in particulars (e.g. name, address etc.), it should fill up 'Form for changes for Correction in TAN data for TAN allotted' and submit the same at any TIN-Facilitation Centre.
- (e) Deductor/Collector will receive an acknowledgment containing a 14 digit unique number from the TIN-FC on submission of Form No. 49B. This acknowledgment number can be used by the deductor/collector for tracking the status of its application. (f) For more information/ application status enquiry
 - Visit us at www.tin-nsdl.com
 - Call TIN Call Centre at 020-27218080.
 - e-mail us at tininfo@nsdl.co.in
 - SMS NSDLTAN <space> acknowledgement no. & send to 57575 to obtain application status.
 - Write to: National Securities Depository Limited, 3rd Floor, Sapphire Chambers, Near Baner Telephone Exchange, Baner, Pune - 411 045.

FORM NO. 10A

[See rule 17A]

**Application for registration of charitable or religious trust or institution
under clause (aa) of sub-section (1) of section 12A of the Income-tax
Act, 1961**

To
The Commissioner of Income-tax,

Sir,

I,.....on behalf of.....
[name of the trust or institution] hereby apply for the registration of the said
trust/institution under section 12A of the Income-tax Act, 1961. The following
particulars are furnished herewith:

1. Name of the * trust/institution in full [in block letters]
2. Address
3. Name(s) and address(es) of author(s)/founder(s)
4. Date of creation of the trust or establishment of the institution
5. Name(s) and address(es) of trustee(s)/manager(s)

I also enclose the following documents:

1. (a) * Original/Certified copy of the instrument under which the trust/institution was created/established, together with a copy thereof.
- (b) * Original/Certified copy of document evidencing the creation of

Handbook of Cooperative Society & Non Profit Organisations

the trust or the establishment of the institution, together with a copy thereof.
[The originals, if enclosed, will be returned].

2. Two copies of the accounts of the * trust/institution for the latest *
one/two/three years.

I undertake to communicate forthwith any alteration in the terms of the trust,
or in the rules governing the institution, made at any time hereafter.

Date

Signature

Designation

Address

*Strike out whichever is not applicable.

FORM NO. 10G

[See rule 11AA]

**Application for grant of approval or continuance thereof to
institution or fund under section 80G(5)(vi) of the Income-tax Act,
1961**

1. Name of the institution/fund in full (in block letters)
2. Address of the registered office of the institution/fund
3. Legal status [please specify whether the institution/fund is
 - (i) constituted as public charitable trust;
 - (ii) registered under the Societies Registration Act, 1860 (21 of 1860) or under any law corresponding to that Act in force in any part of India;
 - (iii) registered under section 25 of the Companies Act, 1956 (1 of 1956);
 - (iv) a University established by law;
 - (v) any other educational institution recognised by the Government or by any University established by law or affiliated to any University established by law;
 - (vi) an institution wholly or partly financed by the Government or a local authority;
 - (vii) an institution established with the object of controlling, supervising, regulating or encouraging games or sports and is approved for this purpose under section 10(23); or
 - (viii) a Regimental Fund or Non-Public Fund established by the armed forces of the Union for the welfare of past or present members of such forces or their dependants.]
4. Objects of the institution/fund and geographical area over which its activities are undertaken.

5. Names and addresses of trustees/office bearers of the institution or fund.
6.
 - (i) If registered under section 12A(a) of the Income-tax Act, the registration number and date of registration.
 - (ii) If notified under section 10(23) or under section 10(23C) of the Income-tax Act, the details thereof.
 - (iii) If responses to (i) & (ii) are negative, whether any application for the same has been filed? If yes, enclose a copy of the same.
7.
 - (a) Period of last approval, if any. Please enclose a copy of the approval.
 - (b) If any change in the aims and objects and the rules and regulations have been made since the last approval, the details thereof.
8. Assessment particulars-
 - (a) Ward/Circle where assessed and permanent account number/GIR number
 - (b) Is the income exempt under section 10(22), 10(22A), 10(23), 10(23AA), 10(23C) or 11?
 - (c) Whether any arrears of taxes are outstanding? If so, give reasons
9. Amount accumulated for the purposes mentioned in item (4) above
10.
 - (i) Details of modes in which the funds are invested or deposited, showing the nature, value and income from the investment;
 - (ii) Whether any funds have not been invested in the modes specified in section 11(5)?
 - (i) Is the institution/fund carrying on any business? If yes, give details
 - (ii) Is the business incidental to the attainment of its objects?

12. Details of nature, quantity and value of contributions (other than cash) and the manner in which such contributions have been utilised.
13. Details of shares, security or other property purchased by or on behalf of the trust from any interested person as specified in sub-section (3) of section 13.
14. Whether any part of the income or any property of the association was used or applied in a manner which results directly or indirectly in conferring any benefit, amenity or perquisite (whether converted into money or not), on any interested person as specified in sub-section (3) of section 13? If so, details thereof.

I certify that information furnished above is true to the best of my knowledge and belief. I undertake to communicate forthwith any alteration in the terms or in the rules governing the institution/fund made at any time hereafter.

Place

Date

Signature

Designation

Address

Notes : The application form (in triplicate) should be sent to the Commissioner of Income-tax having jurisdiction over the institution or fund along with the following documents :

- (i) Copy of registration granted under section 12A or copy of notification issued under section 10(23) or section 10(23C).
- (ii) Notes on activities of institution or fund since its inception or during the last three years, whichever is less.
- (iii) Copies of accounts of the institution or fund since its inception or during the last three years, whichever is less.

FORM NO. 56D

[See rule 2CA]

Application for grant of exemption or continuance thereof under section 10(23C)(vi) and (via) for the year_____

1. Name and address of registered office of the University or other educational institution or the hospital or other medical institution referred to in subclause (vi) or sub-clause (via) of clause (23C) of section 10.
2. Legal status, whether trust, registered society/others.
Please enclose a copy of the certificate of registration/relevant document evidencing legal status.
3. Objects of the university or other educational institution or hospital or other medical institution referred to in serial number 1.
4. Names and addresses of the trustees/office bearers
5. Geographic area over which the activities of the university or other educational institution or hospital or other medical institution referred to in serial number 1 are performed. [Enclose details of work done in different places with addresses of branch offices and names and addresses of office bearers in these places].
6. Enclose copies of memorandum of association, articles of association, trust deed, rules/regulations of the university or other educational institution or hospital or other medical institution referred to in serial number 1.
7. Enclose copies of audited accounts and balance sheets for the last three years along with a note on the examination of accounts and on the activities as reflected in the accounts and in the annual reports with special reference to the appropriation of income towards objects of the university or other educational institution or hospital or other medical institution referred to in serial number 1.
8. Has the university or other educational institution or hospital or other medical institution referred to in serial number 1 received any donations from a foreign country to which provisions of Foreign Contribution (Regulation) Act, 1976, applies? Give details.
9. Give assessment particulars:—
 - (i) Ward/Circle of jurisdiction and the last income returned and

assessed with permanent account number/GIR number.

- (ii) Is the income exempt under section 11?
 - (iii) Is any recovery of tax, etc., outstanding against the university or other educational institution or hospital or other medical institution referred to in serial number 1?
 - (iv) Whether any penalties have been initiated/levied?
10. Total income including voluntary contributions, if any, of the university or other educational institution or hospital or other medical institution referred to in serial number 1 for the previous year relevant to the assessment year for or from which the exemption is sought.
11. Amount of income referred to above that has been or deemed to have been utilized wholly and exclusively for the objects of the university or other educational institution or hospital or other medical institution referred to in serial number 1 (income deemed to have been utilized shall have the meaning assigned to in sub-sections (1) and (1 A) of section 11).
12. Amount accumulated for the objects mentioned in column 3 above.
13. (i) Details of modes in which the funds of the university or other educational institution or hospital or other medical institution referred to in serial number 1 are invested or deposited showing the nature, value and income from the investment.
- (ii) Details of funds not invested in the modes specified in section 11(5) :

Sl. No.	Name and address of the concern	In the case of a company, number and class of shares held	Nominated value of the investment	Income from the investment
1	2	3	4	5

14. (i) Is the university or other educational institution or hospital or other medical institution referred to in serial number 1 carrying on any business (give details)?

- (ii) Is the business incidental to the attainment of its objects?
15. Details of nature, quantity and value of contributions (other than cash) and the manner in which such contributions have been utilized.
 16. Details of shares, securities or other property purchased by or on behalf of the university or other educational institution or hospital or other medical institution referred to in serial number 1 from any interested person as specified in sub-section (2) of section 13.
 17. Whether any part of the income or any property of the university or other educational institution or hospital or other medical institution referred to in serial number 1 was used or applied, in a manner which results directly or indirectly in conferring any benefit, amenity or perquisite (whether converted into money or not), on any interested person as specified in subsection (3) of section 13? If so, details thereof.
 18. Amount deemed to be income of the university or other educational institution or hospital or other medical institution referred to in serial number 1 if sub-section (3) of section 11 is made applicable.
 19. The income that would have been assessable if the university or other educational institution or hospital or other medical institution referred to in serial number 1 had not enjoyed the benefit of section 10(23C)(vi) or (via).

Certified that the above information is true to the best of my knowledge and belief.

Place:

Date :

Signature:

Designation:

Notes :

Full Address _____

1. The application form should be sent to Chief Commissioner or Director General whom the Central Board of Direct Taxes may

authorise to act as prescribed authority for the purposes of sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 through the Commissioner of Income-tax or Director of Income-tax (Exemptions) having jurisdiction over the university or other educational institution or hospital or other medical institution referred to in serial number 1 of this Form. Four copies of the application form along with the enclosures should be sent.

2. Copies of the following documents should be annexed:
 - (i) Deed of trust/memorandum and articles of association/other documents evidencing legal status of the enterprise;
 - (ii) A list of major office bearers including settlor/members of the Governing body;
 - (iii) A photocopy of the latest certificate under section 80G issued by the Commissioner of Income-tax, if any;
 - (iv) True copies of the assessment orders passed for the last three years, if any;
 - (v) Photocopy of communication from the Commissioner of Income-tax with reference to the application of the trust/institution for a registration under section 12A, if any.
3. The applicant shall furnish any other documents or information as required by the Chief Commissioner or Director General or any authority authorised by the Chief Commissioner or Director General.

Taxation Related Provisions for Cooperative and NPO

For Society And Trust			
A.Y. 2013-2014		A.Y.2012-2013	
<i>Income tax slab (in Rs.)</i>	<i>Tax</i>	<i>Income tax slab (in Rs.)</i>	<i>Tax</i>
0 to 2,00,000	No tax	0 to 1,80,000	No tax
2,00,001 to 5,00,000	10%	1,80,000 to 5,00,000	10%
5,00,001 to 10,00,000	20%	5,00,000 to 8,00,000	20%
Above 10,00,000	30%	Above 8,00,000	30%
Surcharge	NIL	Surcharge	NIL

Cooperative society		Sec 25 companies
Net Income Range	Rate of Income Tax	30% along with 5% surcharge if income exceeds 1 crore.
Up to Rs. 10000	10%	
Rs. 10000 to Rs. 20000	20%	
Rs 20000 and above	30%	

Education cess @ 2% of income tax and Secondary and higher education cess @ 1% of income tax in all cases.

Applicability of Accounting Standards

Accounting Standards formulated by the ICAI do not apply to an NPO if no part of the activity of such entity is commercial, industrial or business in nature.

The Standards would apply even if a very small proportion of activities is considered to be commercial, industrial or business in nature.

It may be mentioned that since the Accounting Standards contain wholesome principles of accounting, these principles provide the most appropriate guidance even in case of those organizations to which Accounting Standards do not apply. It is therefore, recommended that all NPOs, irrespective of the fact that no part of the activities is commercial, industrial or business in nature, should follow Accounting Standards.

List of Accounting Standards generally applicable on NPO:

- AS-1 Disclosure of Accounting Policies
- AS-5 Net profit or loss for the Period, Prior Period items and changes in Accounting policies
- AS-6 Depreciation
- AS-9 Revenue Recognition
- AS-10 Accounting for Fixed Assets
- AS-11 Effects of Foreign Exchange Transactions
- AS-12 Government Grants
- S-13 Accounting for Investment
- AS-17 Segment Reporting
- AS-18 Related party Disclosures
- AS-26 Intangible Assets
- AS-29 Provisions, Contingent Liabilities and Contingent Assets

It may be mentioned that under section 145 of Income tax Act 1961, every assessee has to comply with Accounting Standards Tax AS- 1 Disclosures of Accounting Policies and TAX AS-2 Disclosures of Prior Period and Extraordinary items and changes in Accounting Policies. Accordingly it is mandatory for all assesses to comply with such tax standard. Further other standard mentioned above should comply with for better discipline of preparation and presentation of financial statements of NPO.

Applicability of SAs on Cooperatives and NPOs

New/Revised Standards (Auditing, Review and Others) issued under the Clarity Project

100-199 Introductory Matters

200-299 General Principles and Responsibilities

- SA 200 (Revised) issued under the Clarity Project, "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing"
- SA 210 (Revised) under the Clarity Project, "Agreeing the Terms of Audit Engagements"
- A 220 (Revised) issued under the Clarity Project, "Quality Control for an Audit of Financial Statements"
- SA 230 (Revised) under the Clarity Project, "Audit Documentation"
- SA 240 (Revised) under the Clarity Project, "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements"
- SA 250 (Revised) under the Clarity Project, "Consideration of Laws and Regulations in an Audit of Financial Statements"
- SA 260 (Revised) under the Clarity Project, "Communication with Those Charged with Governance"
- SA 265 issued under the Clarity Project, "Communicating Deficiencies in Internal Control to Those Charged With Governance and Management"
- SA 299 (AAS 12), "Responsibility of Joint Auditors"

300-499 Risk Assessment and Response to Assessed Risks

- SA 300 (Revised) under the Clarity Project, "Planning an Audit of Financial Statements"
- SA 315 under the Clarity Project, "Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and

Its Environment”

- SA 320 (Revised) issued under the Clarity Project, “Materiality in Planning and Performing an Audit”
- SA 330 under the Clarity Project, “The Auditor’s Responses to Assessed Risks”
- SA 402 (Revised) issued under the Clarity Project, “Audit Considerations Relating to an Entity Using a Service Organisation”
- SA 450 issued under the Clarity Project, “Evaluation of Misstatements Identified During the Audit”

500-599 Audit Evidence

- SA 500 (Revised) under the Clarity Project, “Audit Evidence”
- SA 501 (Revised) issued under the Clarity Project, “Audit Evidence—Specific Considerations for Selected Items”
- SA 505 (Revised) issued under the Clarity Project, “External Confirmations”
- SA 510 (Revised) under the Clarity Project, “Initial Audit Engagements – Opening Balances”
- SA 520 (Revised) issued under the Clarity Project, “Analytical Procedures”
- SA 530 (Revised) under the Clarity Project, “Audit Sampling”
- SA 540 (Revised) under the Clarity Project, “Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures”
- SA 550 (Revised) under the Clarity Project, “Related Parties”
- SA 560 (Revised) under the Clarity Project, “Subsequent Events”
- SA 570 (Revised) under the Clarity Project, “Going Concern”
- SA 580 (Revised) under the Clarity Project, “Written Representations”

600-699 Using Work of Others

- SA 600 (AAS 10), “Using the Work of Another Auditor”
- SA 610 (Revised) issued under the Clarity Project, “Using The Work of Internal Auditors”

- SA 620 (Revised) issued under the Clarity Project, "Using the Work of an Auditor's Expert"

700-799 Audit Conclusions and Reporting

- SA 700 (Revised) issued under the Clarity Project, "Forming an Opinion and Reporting on Financial Statements"
- SA 705 issued under the Clarity Project, "Modifications to the Opinion in the Independent Auditor's Report"
- SA 706 issued under the Clarity Project, "Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report"
- SA 710 (Revised) issued under the Clarity Project, "Comparative Information— Corresponding Figures and Comparative Financial Statements"
- SA 720 issued under the Clarity Project, "The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements"

800-899 Specialized Areas

- SA 800 issued under the Clarity Project, "Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks"
- SA 805 issued under the Clarity Project, "Special Considerations— Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement"
- SA 810 issued under the Clarity Project, "Engagements to Report on Summary Financial Statements"

2000-2699 Standards on Review Engagements (SREs)

- SRE 2400 (Revised), "Engagements to Review Financial Statements"
- SRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity"

The-Constitution-97th-Amendment-Act-2011

रजिस्ट्री सं. डी. एल.—(एन)04/0007/2003—11 REGISTERED NO. DL—(N)04/0007/2003—11



असाधारण
EXTRAORDINARY
भाग II — खण्ड 1
PART II — Section 1
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 12] नई दिल्ली, शुक्रवार, जनवरी 13, 2012/ पाँच 23, 1933 (सक)
No. 12] NEW DELHI, FRIDAY, JANUARY 13, 2012/ PAUSA 23, 1933 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE (Legislative Department)

New Delhi, 13th January, 2012/Pausa 23, 1933 (Saka)

The following Act of Parliament received the assent of the President on the 12th January, 2012, and is hereby published for general information:—

THE CONSTITUTION (NINETY SEVENTH AMENDMENT) ACT, 2011

[12th January, 2012.]

An Act further to amend the Constitution of India.

BE it enacted by Parliament in the Sixty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Constitution (Ninety-seventh Amendment) Act, 2011.

Short title
and
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In Part III of the Constitution, in article 19, in clause (1), in sub-clause (c), after the words "or unions", the words "or co-operative societies" shall be inserted.

Amendment of
article 19.

3. In Part IV of the Constitution, after article 43A, the following article shall be inserted, namely:—

Insertion of
new article
43B.

"43B. The State shall endeavour to promote voluntary formation, autonomous functioning, democratic control and professional management of co-operative societies."

Promotion
of co-
operative
societies.

Insertion of new Part IXB

4. After Part IXA of the Constitution, the following Part shall be inserted, namely:—

'PART IXB

THE CO-OPERATIVE SOCIETIES

Definitions.

243ZH. In this Part, unless the context otherwise requires,—

(a) "authorised person" means a person referred to as such in article 243ZQ;

(b) "board" means the board of directors or the governing body of a co-operative society, by whatever name called, to which the direction and control of the management of the affairs of a society is entrusted to;

(c) "co-operative society" means a society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in any State;

(d) "multi-State co-operative society" means a society with objects not confined to one State and registered or deemed to be registered under any law for the time being in force relating to such co-operatives;

(e) "officer bearer" means a President, Vice-President, Chairperson, Vice-Chairperson, Secretary or Treasurer of a co-operative society and includes any other person to be elected by the board of any co-operative society;

(f) "Registrar" means the Central Registrar appointed by the Central Government in relation to the multi-State co-operative societies and the Registrar for co-operative societies appointed by the State Government under the law made by the Legislature of a State in relation to co-operative societies;

(g) "State Act" means any law made by the Legislature of a State;

(h) "State level co-operative society" means a co-operative society having its area of operation extending to the whole of a State and defined as such in any law made by the Legislature of a State.

Incorporation of co-operative societies.

243ZI. Subject to the provisions of this Part, the Legislature of a State may, by law, make provisions with respect to the incorporation, regulation and winding up of co-operative societies based on the principles of voluntary formation, democratic member-control, member-economic participation and autonomous functioning.

Number and term of members of board and its office bearers.

243ZJ. (1) The board shall consist of such number of directors as may be provided by the Legislature of a State, by law:—

Provided that the maximum number of directors of a co-operative society shall not exceed twenty-one:

Provided further that the Legislature of a State shall, by law, provide for the reservation of one seat for the Scheduled Castes or the Scheduled Tribes and two seats for women on board of every co-operative society consisting of individuals as members and having members from such class or category of persons.

(2) The term of office of elected members of the board and its office bearers shall be five years from the date of election and the term of office bearers shall be coterminous with the term of the board:

Provided that the board may fill a casual vacancy on the board by nomination out of the same class of members in respect of which the casual vacancy has arisen, if the term of office of the board is less than half of its original term.

(J) The Legislature of a State shall, by law, make provisions for co-option of persons to be members of the board having experience in the field of banking, management, finance or specialisation in any other field relating to the objects and activities undertaken by the co-operative society, as members of the board of such society:

Provided that the number of such co-opted members shall not exceed two in addition to twenty-one directors specified in the first proviso to clause (I):

Provided further that such co-opted members shall not have the right to vote in any election of the co-operative society in their capacity as such member or to be eligible to be elected as office bearers of the board:

Provided also that the functional directors of a co-operative society shall also be the members of the board and such members shall be excluded for the purpose of counting the total number of directors specified in the first proviso to clause (J).

243ZK. (1) Notwithstanding anything contained in any law made by the Legislature of a State, the election of a board shall be conducted before the expiry of the term of the board so as to ensure that the newly elected members of the board assume office immediately on the expiry of the office of members of the outgoing board.

Election of members of board.

(2) The superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to a co-operative society shall vest in such an authority or body, as may be provided by the Legislature of a State, by law:

Provided that the Legislature of a State may, by law, provide for the procedure and guidelines for the conduct of such elections.

243ZL. (1) Notwithstanding anything contained in any law for the time being in force, no board shall be superseded or kept under suspension for a period exceeding six months:

Supersession and suspension of board and interim management.

Provided that the board may be superseded or kept under suspension in case—

(i) of its persistent default; or

(ii) of negligence in the performance of its duties; or

(iii) the board has committed any act prejudicial to the interests of the co-operative society or its members; or

(iv) there is stalemate in the constitution or functions of the board; or

(v) the authority or body as provided by the Legislature of a State, by law, under clause (2) of article 243ZK, has failed to conduct elections in accordance with the provisions of the State Act:

Provided further that the board of any such co-operative society shall not be superseded or kept under suspension where there is no Government shareholding or loan or financial assistance or any guarantee by the Government:

Provided also that in case of a co-operative society carrying on the business of banking, the provisions of the Banking Regulation Act, 1949 shall also apply:

10 of 1949.

Provided also that in case of a co-operative society, other than a multi-State co-operative society, carrying on the business of banking, the provisions of this clause shall have the effect as if for the words "six months", the words "one year" had been substituted.

(2) In case of supersession of a board, the administrator appointed to manage the affairs of such co-operative society shall arrange for conduct of elections within the period specified in clause (1) and handover the management to the elected board.

(3) The Legislature of a State may, by law, make provisions for the conditions of service of the administrator.

Audit of
accounts of
co-operative
societies.

243ZM. (1) The Legislature of a State may, by law, make provisions with respect to the maintenance of accounts by the co-operative societies and the auditing of such accounts at least once in each financial year.

(2) The Legislature of a State shall, by law, lay down the minimum qualifications and experience of auditors and auditing firms that shall be eligible for auditing accounts of the co-operative societies.

(3) Every co-operative society shall cause to be audited by an auditor or auditing firms referred to in clause (2) appointed by the general body of the co-operative society:

Provided that such auditors or auditing firms shall be appointed from a panel approved by a State Government or an authority authorised by the State Government in this behalf.

(4) The accounts of every co-operative society shall be audited within six months of the close of the financial year to which such accounts relate.

(5) The audit report of the accounts of an apex co-operative society, as may be defined by the State Act, shall be laid before the State Legislature in the manner, as may be provided by the State Legislature, by law.

Convening of
general body
meetings.

243ZN. The Legislature of a State may, by law, make provisions that the annual general body meeting of every co-operative society shall be convened within a period of six months of close of the financial year to transact the business as may be provided in such law.

Right of a
member to get
information.

243ZO. (1) The Legislature of a State may, by law, provide for access to every member of a co-operative society to the books, information and accounts of the co-operative society kept in regular transaction of its business with such member.

(2) The Legislature of a State may, by law, make provisions to ensure the participation of members in the management of the co-operative society providing minimum requirement of attending meetings by the members and utilising the minimum level of services as may be provided in such law.

(3) The Legislature of a State may, by law, provide for co-operative education and training for its members.

Returns.

243ZP. Every co-operative society shall file returns, within six months of the close of every financial year, to the authority designated by the State Government including the following matters, namely:—

(a) annual report of its activities;

(b) its audited statement of accounts;

(c) plan for surplus disposal as approved by the general body of the co-operative society;

(d) list of amendments to the bye-laws of the co-operative society, if any;

(e) declaration regarding date of holding of its general body meeting and conduct of elections when due; and

(f) any other information required by the Registrar in pursuance of any of the provisions of the State Act.

243.ZQ. (1) The Legislature of a State may, by law, make provisions for the offences relating to the co-operative societies and penalties for such offences. Offences and penalties.

(2) A law made by the Legislature of a State under clause (1) shall include the commission of the following act or omission as offences, namely:—

(a) a co-operative society or an officer or member thereof wilfully makes a false return or furnishes false information, or any person wilfully not furnishes any information required from him by a person authorised in this behalf under the provisions of the State Act;

(b) any person wilfully or without any reasonable excuse disobeys any summons, requisition or lawful written order issued under the provisions of the State Act;

(c) any employer who, without sufficient cause, fails to pay to a co-operative society amount deducted by him from its employee within a period of fourteen days from the date on which such deduction is made;

(d) any officer or custodian who wilfully fails to handover custody of books, accounts, documents, records, cash, security and other property belonging to a co-operative society of which he is an officer or custodian, to an authorised person; and

(e) whoever, before, during or after the election of members of the board or office bearers, adopts any corrupt practice.

243ZR. The provisions of this Part shall apply to the multi-State co-operative societies subject to the modification that any reference to "Legislature of a State", "State Act" or "State Government" shall be construed as a reference to "Parliament", "Central Act" or "the Central Government" respectively. Application to multi-State co-operative societies.

243ZS. The provisions of this Part shall apply to the Union territories and shall, in their application to a Union territory, having no Legislative Assembly as if the references to the Legislature of a State were a reference to the administrator thereof appointed under article 239 and, in relation to a Union territory having a Legislative Assembly, to that Legislative Assembly. Application to Union territories.

Provided that the President may, by notification in the Official Gazette, direct that the provisions of this Part shall not apply to any Union territory or part thereof as he may specify in the notification.

243ZT. Notwithstanding anything in this Part, any provision of any law relating to co-operative societies in force in a State immediately before the commencement of the Constitution (Ninety-seventh Amendment) Act, 2011, which is inconsistent with the provisions of this Part, shall continue to be in force until amended or repealed by a competent Legislature or other competent authority or until the expiration of one year from such commencement, whichever is less. Continuance of existing laws.

V.K. BHASIN,
Secy. to the Govt. of India.