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**Donations to and By the Public Charitable Trusts**

**FAQ's about Donations to the trust and By the trust are as follows –**

**1. Whether Donation to any Public Charitable Trust enjoys exemption u/s 80G ?**

Answer is of course No. Only those Public Charitable Trusts which have obtained eligibility certificate from Income Tax u/s 80 G are authorised to issue receipt of exemption u/s 80G to the donors. So only donations given to eligible Public Charitable Trusts which have obtained 80G exemption will help donor in getting tax exemption.

**2. Whether Donation to Public Charitable Trust in cash is eligible for exemption u/s 80G ?**

Finance Act 2017 amended section 80G so as to provide that no deduction shall be allowed under the section 80G in respect of donation of any sum exceeding Rs. 2,000/- unless such some is paid by any mode other than cash. Earlier this limit was Rs. 10,000/-. So donations in cash up to Rs 2000/- only will enjoy tax exemption u/s 80G.

**3. Whether Public Charitable Trust can accept donations in cash ?**

Yes, the Public Charitable Trust can accept donations in cash. However, as stated above, donor will not be entitled for any exemption u/s 80G, if the donation in cash is over Rs 2000/-. Further, if such donation is "anonymous donation", then it may be taxable in the hands of Public Charitable Trust @ 30% if it is NOT a religious trust.

**4. Whether One Public Charitable Trust can give donation to another Public Charitable Trust ?**

Yes, one Public Charitable Trust can give donation to another Public Charitable Trust. Donation given by one public charitable trust to another public charitable trust is permissible in section 11 as application of income. However as per budget amendment, if one Public Charitable Trust has contributed as Corpus Donation to other registered Public Charitable Trust, then it will not be allowable as application of Income of such trust.

**5. Whether Donation received by trust is taxable in the hands of trust ?**

Any kind of non-anonymous donations received by a public charitable trust can be claimed exempt subject to the provisions of section 11 & 12 of the Income Tax Act 1961. In other words, a trust may accumulate 15% of such donations and required to apply remaining 85% for public charitable or public religious purposes. The law further provided exemption from tax if the conditions specified for deemed application or accumulation are duly satisfied. Further, corpus donation is also exempt from tax, subject to certain conditions.