

Brief Summary of The Income-Tax Act, 2025, and The Income-Tax Rules, 2026, for RNPOs – Chapter XVII –seven parts

[A] 24 Sections-Section 332 to section 355- contained in **Chapter XVII -Part B** of special provisions for RNPOs.

[b] 10 Rules: - Rule No. 181 to No. 190: and **[c] 11 Forms No.104 to No. 114.**

<u>Part</u>	<u>Section</u>	<u>Particulars</u>	<u>Rule</u>	<u>Form No.</u>	<u>Particulars in brief including time limit, if applicable.</u>
<u>01</u>	332–333	Registration	181	104 to 107	Application for Registration and approval and its order- <u>four time limits- 30 days to 'at least six months.'</u>
<u>02</u>	334–343	Income	182 183 184 185 186 186	<u>N.A.</u> <u>N. A.</u> 108 109 110 111	S. 335 [e] - Income computations – Commercial Activity S. 337 - Income computations Related Person Option of deemed application – Section 341 [7] – <u>by due date of ITR</u> Accumulation –Section 342 [1]- <u>by due date of ITR</u> Change of purpose of accumulation Order for Change of purpose of accumulation
<u>03</u>	344–346	Commercial activities	182	<u>N.A.</u>	Income computations
<u>04</u>	347–350	Compliances	187 188	<u>N.A.</u> 112	Books of account Audit report- <u>a month before ITR due date</u>
<u>05</u>	351 – 353	Violations	189	<u>N. A.</u>	Valuation of assets for accreted income
<u>06</u>	354– 354A	Approval under Section 133 [1] [b] [ii]	181 190	104 to 107 113 to 114	Application for approval and order. Statement of Donation and Certificate of Donation- <u>by 31st May after the end of the tax year.</u>
<u>07</u>	355- 355	Interpretations- <u>a new addition</u>	<u>N. A.</u>	<u>N. A.</u>	<u>N. A.</u>

Guide to Form No. 104 - Application for Provisional registration or Provisional approval -Section 332, 333, section 354 and Rule 181 [1] and Form No. 106

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This is the **first form** prescribed under the Income-Tax Rules, 2026, **for a Non-Profit Organisations** in relation to the Provisional Registration or Provisional Approval.

It is interesting to note that **a single form** is to be used for **one or both the options** - the registration and an approval.

This is **against the earlier practice** of making **two separate applications** for the registration and an approval.

This is really **a welcome step reducing the workload** of the applicants, consultants and the Income-Tax Department.

As per note No. 04 to this form, this form is to be used **only if [a] the activities of the applicant trust are not commenced 'on the date of making an application' and [b] there was no earlier registration or an approval granted to the applicant.**

Commencement of activities is **not defined** in the 1961 Act nor in 2025 Act. This issue **needs to be thought over very seriously.** **'Earlier the better is the right policy.'** Example, academic year 2026-2027 started in June, 2026. But preparation is for two to three years before like Govt. approvals, infrastructure-land, building, books, staff etc.

This form is divided into **two parts - Part A and Part B.** Part A contains **five rows** and part B contains **seventeen rows**, totalling in all to **twenty-two rows.** Part B is further divided into **VI parts.**

These twenty-two rows are followed by **different fourteen notes** in relation to various rows as individually specified in the note. While filling up a row in this form, **a reference to the same** is necessarily required to be made to the respective note.

Note number fourteen specifies that **certain details** will be **automatically pre-filled** based on the data available about the applicant on the portal of the Income-Tax Department. This is also a very welcome step.

Part A: - Row-wise comments: -

Row one: Part A- Basic details - Name of the applicant trust.

In this connection, **note one** requires that the name [of the applicant] **shall include its 'full name.'** To my mind, as per **note No. Fourteen**, this information **may be pre-filled based on the Permanent Account Number** of the applicant.

Row two of the Part A: - Address: -

It refers to the address of the applicant followed by **note no. Two.** To my mind, as per **note No. fourteen**, this row will also be **pre-filled** based on the data available about the applicant on the portal of the Income-Tax Department.

However, the **sequence of the address** given in note number two seems to be very **logical** based on the principle of '**special to general**' details about the address. The same is

- [i] firstly the flat or house number,
- [ii] Then the floor, if applicable, [iii] The building name, [iv] location,
- [v] Post office, [vi] city, district, state, country and finally [vii] the PIN code.

Zip code: - Zip code used in other countries is not referred to here probably for the reason that as per **section 332 [2] [a]**, the **registration or an approval is given** under the tax laws only **if it is registered in India.**

Rows three, four and five: - Part A-PAN, Email address and contact: -

They refer to the Permanent Account Number, Email address and contact number of the respectively.

All these three issues are **self-explanatory** [needing no clarification] and may be **pre-filled** by the portal of the Income-Tax Department as stated in note number fourteen at the end of this form.

Part B: - 'Other Information.'

Part B of this form is further divided into **six sub-parts** covering **seventeen rows** containing 'Other Information.'

Sub-part I of part B titled as '**Basic details**' contains **five rows** from No. 06 to No. 10.

Row six: - Purposes of form 104-[a] registration, [b] approval and [c] both-

This is the **most crucial row** in this form. As noted above, both the forms - 104 and 105- now permit the applicants to apply for both the options - registration and approval - in the **single form** in place of two separate forms required to be made earlier.

As per note No. three below this form, there are **three different options** - referred to as the '**Section Code.**' The applicant has the right to select any one of the three section codes in this row.

First Section Code is for the application is for **provisional registration-S. 332 [3]**

Second Section Code is for the application is for **provisional approval- S. 354 [2]**

Third Section Code is to be selected if the application is **for both** - the provisional registration as well as the provisional approval.

Row six is required to be **read with row seven** in part B-**Commencement of activities.**

Row six is required to be read with an extremely important **note number 04** below from 104. Aforesaid note specifically requires that this **form 104 for provisional registration or for provisional approval needs to be made only if the applicant NPO has not commenced its activities.** In other words, this form 104 is not to be used when the **activities of the NPO have already commenced.** In such a case, the applicant is mandatorily required to apply for the **regular registration and regular approval in form No. 105.**

Appreciation: -

This is a **very good move** initiated by the Income-Tax Department. If the applicant NPO **carefully reads** the applicable provisions and **apply timely** in the correct form and select **proper options**, it will definitely **reduce the litigations** between the Income-Tax Department and the applicant NPOs substantially.

Row seven- part B: -Commencement of Activities: -

This part requires the applicant to state if the activities have commenced or not. As discussed, if the answer is positive, there will be no provisional registration or approval.

Row eight of part B- Irrevocability clause.: - Row eight of part B of form 104 refer [i] to the **Irrevocability** of the applicant NPOs and [ii] also to **note number 05** at the end of this form.

In my considered opinion, the Irrevocability clause is **not at all applicable to the NPOs incorporated** under the provisions of [i] The **Companies Act**, 1956, and 2013, [ii] The **Societies Registration Act**, 1860, [iii] **local statutes** like the Maharashtra Public Trusts Act, 1950, etc. This is for the simple reason that **these laws do not permit any revocation** by the founders or the authors etc. of the Trust. These entities can be **wound up only under the provisions contained in the respective Statutes**. As such, there is **no issue of any revocation** by the authors or the founders of such entities.

Row eight of part B of this form dealing with the irrevocability requires the applicant to **select 'Yes' option** for making the application in the form 104. Selection of **'No' option will disentitle** the NPO to make the application itself, forget grant of **registration or approval**.

In my opinion, **[a] the CBDT should review this serious issue again** as is necessary instructions in the matter and **[b] Trust deed may be suitably amended**.

Row nine of part B – 'PAST' Rejection of application: -

This row seeks the information regarding the **rejection of any application** for [a] **registration or approval**. It seeks **no other details nor does it refer to any note** given at the end of this form. This is probably due to the **reason** that there were **no activities** carried on by the applicant NPO.

Row ten of part B - Religious Expenditure: -

This row seeks the information regarding the expenditure of religious nature **in excess of five per cent of [a] total income [b] in any tax year**. It **seeks no other details nor does it refer to any note** given at the end of this form. This row refers to Tax year [earlier assessment year] only. Indirectly, it refers to **all the tax years from beginning of the NPO**.

This row should have, like other notes, clarified that in case of purely charitable organisations, incurring of expenditure in excess of five per cent of the total income in any of the tax year will disqualify the applicant for grant of registration or approval.

A word of caution: - While computing the expenditure of religious nature, it needs **to be computed on a most conservative basis**. An expenditure seeming to be of religious nature is **not necessarily the religious expenditure**. For example, **a talk** on the lives of **Lord Ram or Lord Krishna talking of peace, unity and courage** is **not a religious expenditure** but is a **spiritual or an educational activity**.

Part II of part B -Incorporation / Constitution Details: -

This form 104 deals with the details of the Incorporation / Constitution of the applicant NPOs. It contains **six rows and four notes** for five rows except for the last row.

Row eleven of part B: - nature of the applicant. – a critical issue: -

Note number six below the form is related to the nature of the applicant of row 11.

Part [a] of note number six contains **basic eight classifications** of the applicant as under: -

- | | |
|--|---|
| 01 Public charitable trust-S. 332 [1 [a], | 02 Society- S. 332 [1 [b], |
| 03 Company- S. 332 [1 [c], | 04 University/affiliated Edu. Insti.S.332 [1] [d] |
| 05 Government financed entities- S. 332 [1 [e] | 6 Investor Protection Fund, etc. S. 332 [1 [f] |
| 07 CBDT Notified entities S. 332 [1 [g] and | 08 Regimental Funds etc. S. 332 [1 [h] |

There are additional further **twenty sub-classes** from code **No. [6] [b] to No. [6] [f]**.

Serial number six of **Code [6] [a]** is further **sub-grouped under four classes** in code [6] [b] Numbered as codes from **[6] [b] [01] to [6] [b] [04]** as under: -

Code No. 6 [b] [1] –Sch. III –No. 27 - 29– Investor Protection Funds-**3 cases-Code 09**

Code No. 6 [b] [2] –Sch. III –No. 36/Sch. Vii-No. 42–Notified entities-**2 cases-Code 10**

Code No. 6[b] [3]–Sch. VII –No.10–16– PM CARES Fund, Swachha Bharat, Clean Ganga Mission, CM Fund, LG Funds, / Communal Harmony Foundation etc.-**07 cases - Code 11**

Code No. 6 [b] [4] –Sch. VII –No. 17 - 19–[a] Govt. financed University or Ed. Institution [b] Hospital, [c] receipts up to five crore rupees.**04 cases Code 12**

Code Serial number [6] [b] 09 to [6] [b] 12 are further **sub-classified** as under respectively: -

Code No. [6] [c] -13-15-**3 cases as above** - **Code No. 6 [b] [1]**

Code No. [6] [d] - 16-17-**2 cases**.as above - **Code No. 6 [b] [2]**

Code No. [6] [e] - 18-24 **07 cases – as above** - **Code No. 6 [b] [3]**

Code No. [6] [f] - 25-28.-**04 cases as above.** - **Code No. 6 [b] [4]**

Part II of part B - Row twelve- nature of activities: -

This too is a **crucial field** for the applicant. There are **three different types of activities** specified in this row itself as under: -

[i] Charitable; **[ii] 'Public' religious** and **[iii] Both of the above.**

Note: - Private religious purpose is not allowed.

These options are to be read with **note seven** given at the end of this form. Note seven rightly prescribes that second option of 'public religious purpose' cannot be selected if in the sixth row, an option of 'provisional approval' is selected. This is for the simple reason that religious entities are not granted an approval under the Act.

Note number nine [given **with reference to row fifteen**] requires the applicant to select one or more of the seven objects specified in note number nine. These objects are as under: -**Section 2 [23].**

- | | |
|--|------------------------------|
| [I] Relief of the poor | [II] Education |
| [III] Medical relief | [IV] Yoga |
| [V] Preserve environment | [VI] Preserve monuments etc. |
| [VII] Advancement of any other object of general public utility. | |

Surprisingly, it excludes 'public religious' purpose therefrom.

Rows number thirteen and fourteen: -Formation: -

There rows of part B [read with **note eight**] requires the applicant to state if it is '**formed under an instrument.**'

Clause [a] of Note eight specifically states that '**formation**' means: -
[01] Incorporation, [02] creation or [03] registration

under a specific statute like [a] The Companies Act, 2013 [or 1956],
[b] The Societies Registration Act, 1860, [c] the Indian Trusts Act, 1882,
[d] the Maharashtra Public Trusts Act, 1950 etc. as applicable.

Based on the formation of the applicant under the specific statute, **row fourteen** requires the applicant to **provide** the following details of formation: -

[01] The **date of formation**, [02] **Unique number [see note]** and [03] The **authority granting** the unique number

Note for [02] above: -As far as **unique number** is concerned, **note number 08 [b]** at the end of this form states that it shall mean the **registration number** [allotted] under the respective Statute to the applicant.

The '**Formation**' has got direct **relationship with the Irrevocability** of the applicant and hence the CBDT needs to immediately come out with a clarification to the effect that in cases of applicants which are 'formed' under a specific statute are not covered by the revocation clause and are fully irrevocable.

Row fifteen of part B- Objects of The Applicant: -

This row requires the applicant to **select one or more of the objects** of the applicant as referred to in **note number nine** given at the end of this form. For further details, please see comments on row twelve above. **[Page No. 05.]**

It is **strongly recommended** that the objects clause **must include each and every item of seven items given in section 2[23] of the Act.** This is **to avoid a lot of issues** in the income and tax computation, registration and approval etc. **Trust deed** may be **amended, if required.**

Row number sixteen -Exact nature of charitable purposes: -

The last row in part II of part B. It is to be read with **row fifteen and note number nine** already discussed above in a detailed manner. It seeks the exact nature of charitable purposes if '**advancement of any other object of general public utility**' is selected by the applicant.

Sub-Part III of part B of form 104: - Recognition Details - Registration, Approval or Notification: -

This sub-part covers **only two rows** - row number **seventeen** & row number **eighteen** - with reference to the details of the **[i] registration, [ii] approval or [iii] notification** of the applicant.

All these **three issues are** clubbed together under a common heading '**Recognition.**'

As per **note No. Ten**, these details are to be given with reference to the **recognitions other than the same under The Income-Tax Act, 1961, or The Income-Tax Act, 2025.**

There are **only four options** given in **Note number ten** for row number eighteen.

Out of these four options, details of registration under any **one or more** of the following three Acts -as applicable to the applicant- are to be selected: -

[I] FC[R] A, 2010. [II] SEBI Act, 1992. [III] Darpan portal of Niti Aayog and [IV] Last option refers to the recognition under other Laws. For example, **The Goods and Services Tax Act, 2017, PF Act, PT Act, ESIC Act etc.**

Details sought include: - [a] the relevant **Act**, [b] **date** of recognition and **effective from**, [c] unique **registration number** and [iv] the **authority** granting the recognition.

This information should **exclude the formation details** regarding incorporation given under **row number thirteen and fourteen** above.

Similarly, **this information** about the **recognition** should **not be furnished** under note number fourteen above dealing with the **Formation of the applicant.**

Sub-Parts IV: -Office bearers

It deals with the details of the office bearers of the applicant. It has **two rows only-** number **nineteen and number twenty.** These rows are to be read with **notes numbered as eleven and twelve.**

Special notes for these two rows: -

[01] Specific heading of this part is '**Office bearers' details.**'

[02] Moreover, as per the last phrases of **row nineteen** as well as **row twenty,** these details are to be given '**as on the date of application**' on which the same is made by the applicant.

In view of this specific position, it is felt that though the mention is made of twenty different categories [who are including the variety of persons,] the position [a] of **present office bearers only and [b] that too on the date of application needs to be given.**

In other words, details of the office bearer of **first April, 2025, need not be given** if he is **replaced** by another person and is **not the office bearer on the date of application,** say, 31st January, 2026.

Moreover, **row nineteen** refers to categories like **members of the society and authors,** founders, etc. As long as they are not covered by the term 'office bearers,' in my considered opinion, their mention is unwanted.

Office bearers: -

By the term 'office bearers,' following categories only [as mentioned in row nineteen] seem to be covered [based on terminology used by the applicant]: -

[01] Members of the governing council, [02] Directors or [03] Trustees.

Usual four details of the office bearers are required to be given like **name, address, mobile number and email ID.**

However, there are **three additional details** those are required to be given. It includes [a] firstly the '**relation** of the office bearer with the applicant.' **Note number eleven** at the end of this form **enlists twenty different such relations alphabetically** [except last one- any other Principal Officer - a very vague term.] For example, author, authorised signatory, Chief Executive Officer etc.

[b] Unique Identification Number [UIN]: - Apart from the relation of the office bearers, his Unique Identification Number and **[c] with the ID code** is also required to be given.

This is referred to in **note number twelve** given at the end of this form. There are **only four different options** for the same as under **[in the order of preference]:** -

[01] PAN - code 1. If **PAN is not available,** then **[02] Passport number**-code 2.

[03] Elector's Photo Identity number - code 3 and **finally,**

[04] Taxpayer identification number of the country where the person resides- code 4.

Other UINs like Aadhar Card number, **driving licence** number etc. are surprisingly **missing** from these codes. Reasons for the same are unknown.

Row twenty refers to the **beneficial owner** [5% or more] of the **non-individual office bearers** mentioned in row nineteen.

Similar details as given in row nineteen with reference to individual office bearers are to be given in this row too.

However, it requires an **additional mention of percentage of beneficial membership** to be given there.

The contact number and email ID are not required in row number twenty.

Sub -part V of the Part B- Return details: -

Sub-part V of part B of this form requires the applicant to state whether the applicant has **furnished or not the return of income for the 'last tax year'** for which the due date has expired. **No further details** are required like the acknowledgement No thereof, income details thereof etc.

If no return is filed, [a] the self-certified **copy of the accounts** for maximum last three years or [b] **a declaration** as per **Note. No 13, [a-7],** need to be furnished.

Sub -part VI of part B of this form deals with attachments to the form.

The same are as under as applicable: - self-certified copies- [01 to 07]-

- | | | | |
|------|---------------------------------------|-------|---|
| A-1 | Trust Deed or Memo. & Articles | A - 2 | Instrument [like a Will] |
| A-3 | Other documents of formation | A - 4 | Registration certificate |
| A-5 | F. C. [R.] A Registration Certificate | A - 6 | Rejection order-1961/2025 Act- <u>Reg. Appr.</u> |
| A -7 | Accounts for max.3 years/declaration | A - 8 | proposed activities. |

Undertaking: -

The Applicant is also required to give an undertaking that: -

[a] he has **authority** to sign the form and verify it;

[b] details are **true and correct; -complete is missing**

[c] the **changes herein will be promptly informed** to the Income-Tax Department and

[d] the **activities have not commenced.** Then follow **place, date, sign. & designation.**

Furnishing of the Form: - This form is required to be **uploaded on the portal** of the Income-Tax Department in the account of the applicant with all the enclosures under **Digital Signature Certificate** or the through **e-verification.**

Time limit to apply: - This form can be submitted **at any time** in the Tax Year. Applicant will get the registration or approval form that year of application.

Action by the Income-Tax Department -Form No. 106: -S. 332 / S. 354 / Rule 181: -

There is **no provision for [a] calling for the documents** [b] any **information** or [c] **enquiry in this case.**

As such, the Income-Tax Department is required to: -

[01] Dispose of the application within **a period of one 'month** from the **end of the 'month' [not quarter]** in which the application is received -

[02] Grant the registration / approval / both for a fixed period of **three years in form 106.** **Separate orders** are passed for **registration and approval.**

It is divided in **four parts.** Part A thereof contains the **particulars of the applicant.**

Part B thereof contains the **details of registration or approval** granted.

Part C contains the **conditions** subject to which the registration or approval is granted.

Part D contains the details of the **approving authority.**

Form No. 106 is **followed by three explanatory notes-name, address and pre-filled items.** **Best wished for your professional and social journey. E & O E**