

Forms 108 - Deemed Application and Forms 109-111 - Accumulation of income

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Tabular summary of Forms 108 - Deemed Application and Forms 109-111 – Accumulation of income								
No	Particulars	Section	Rule No.	Form No.	Parts of the Form	Rows in the Form	No. of Notes below the form	Time limit to comply with.
01	Option to be exercised	341 [7]	184	108	03	10	08	By the due date to file the ITR- S. 263[1]
02	Statement to be filed	342 [1]	185	109	02	09	07	By the due date to file the ITR- S. 263[1]
03	Application for change of purpose of accumulation as per No. 02 above	342 [5]	186	110	02	06	05	Before the end of the last tax year
04	Order on No. 03 above	342 [6]	186	111	04	08	05	Before the end of the last tax year

Note: -

It is strongly recommended that in respect of each of the **first three above actions**, a self-explanatory and a self-certified copy of the **concerned resolution** passed by the trustees is kept ready on the record of the RNPO **[though not required only for form 108.]**

Form No. 108 [old form No. 9A] - Deemed Application: -

In this connection, **Section 341 (7)** of the Act deals with '**option**' to be exercised by the RNPO in form No 108 under rule 184.

What is deemed Application?

It is **practically a postponement of the actual application of regular income**. Four sub-sections of section 341 -**Section 341 [5] to section 341 [8]** - are relevant in this connection.

[a] Section 341 [5] – Provision about 'deemed application': -

As per Section 341 [5], the RNPO is allowed to treat any **shortfall [or its part]** in its application of '**regular income**' for [its] '**charitable or religious purposes**' '**in India**' up to 85% of '**Regular Income**' as **deemed application.**'

Example: -

No.	Particulars	Amount-Rs.
01	The regular income of RNPO for the tax year	10,00,000.00
02	Deemed accumulated income of regular income on charitable objects in India – 15% - section 343 [1].	01,50,000.00
03	Required application of regular income on charitable objects in India – 85% [No. 01 less No. 02]	08,50,000.00
04	Actual application of regular income on its objects in India	04,00,000.00
05	Shortfall in the required application of regular income on charitable objects in India – [No. 03 less No. 04]	04,50,000.00

However, this RNPO shall, as a part of prudence, exercise the option only to the tune of Rs. 2,00,000.00 considering basis exemption limit of Rs. 2,50,000.00 admissible presently to the AOP-Trust.

This will **reduce future liabilities of application out of deemed application** of income.

What is regular income: -

The 'regular income' is computed as per section 335 as under: -

[01] Income from Charitable or religious activities-section 335 (a): -For example, (i) tuition fees received by the RNPO which is an educational institution, (ii) medical treatment charges received by RNPO which is the hospital etc.

[02] Income from 'fully' charitable or religious property, deposit or investments -as per section 335 (b) except No.5 below. For example, Rent for the house property, interest on fixed deposit, dividend on investment in the approved mutual funds etc.

[03] Income from 'partly' charitable or religious property, deposit or investments -as per section 335 (c) except No.5 below. Examples as No. (02) above.

[04] Donations as referred to in section 335 (d): - i. e. 'voluntary' donations 'without any conditions' and

[05] Gains from the commercial activity U/S. 344-346 as referred to in Sec.335 e.) Example: -drinking water facility made available by a RNPO after legal compliance.

[b] [a] Section 341 [6] - Time Limit for actual application of deemed application: - Section 341 [6] provides for the time limit for the actual application of '**such deemed application**' for [its] '**charitable or religious purposes**' '**in India.**' This sub-section refers to the '**actual receipt of income or not**' [for shortfall in 85% application] for determining the time limit within which such deemed application is to be applied. Following table clarifies the said position: -

No.	Reasons for Shortfall in 85% application	Time limit for application
01	Whole or part of the ' income is not received ' during the tax year	[a] The tax year in which the income is received OR [b] The tax year immediately succeeding the tax year in which the income is received. Example: -Income accrued for the tax year 2026-2027 is received in the tax year 2028-2029. The tax year of application in this case is tax year 2028-2029 or tax year 2029-2030.

02	Any other reason [other than non-receipt of income.] like say the non-availability of land or building for the school or hospital in the tax year.	The tax year immediately succeeding the tax year in which the income is derived .
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Interestingly, like Form No. 109, this form **does not contain a maximum time limit** within which this amount is required to be applied on the objects of the RNPO.

However, it **contains the earliest period** of the immediately subsequent tax year in which the income is received after the exercise of the option.

[c] [a] Section 341 [7] - Time limit: to exercise the option on form 108: - As per section 341 [7] and as a duplication, also under **Rule 184 [1]**, the time limit to exercise this option under section 341 [5] is **on or before the due date** of ITR specified under 263 [1] for **furnishing the return** of income-.

Table contained in Section 263 [1] [c] prescribes that the due date for furnishing the return of income is as under: -

No	Particulars	Due date of furnishing the return of income
01	Assessee subject to section 172 – international transaction	30 th November of the financial year succeeding the tax year
02	Company or an assessee having mandatory audit under ANY LAW	31 st October of the financial year succeeding the tax year

Note: - This **concessional time limit for form 108** or form 109 up to ITR date is **against a period of one month before such ITR due date** in respect of **form No. 112 for audit report**.

[d] Section 341 [8] – Application under section 341 [1]: -

As per section 341 [8], **any deemed application** shall be treated as an **application of its regular income**. As a result, it will enjoy the benefit of **15% deemed accumulated income** under section 343 [1] subject to condition **of investment under section 350**.

Contents of Form No. 108: -

Form 108 contained in the Income-Tax Rules, 2026, is divided into is divided in **three parts – A to C** with **ten rows [6 rows for parts A and four row for part B only.]**

Part C- Exercise of the option- is followed by **eight 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.

Like some other forms, there will be **automatically pre-filled data** based on the data available about the applicant on the portal of the Income-Tax Department **like name, address, PAN, etc.**

Row one: Part A- Basic details - Name of the applicant trust. In this connection, **note one** requires that the name [of the applicant RNPO **shall include its 'full name.'** **It is 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**. 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, five and six: - Part A-PAN, Email address, contact number and tax year: -

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 seven** at the end of this form.

In the row of **tax year**, the tax year **for which this option is exercised** is to be given.

Part B of form 109-Rows seven to ten-details of 'regular income'-New concept: -

Row seven of Part B of this form 108 requires the RNPO to state **its 'regular income.'** **Note number four** at the end of this form states that the **regular income** is to be **computed** as per the provisions contained in section 335 of the Income-Tax Act, 2025.

The regular income is computed as per section 335 with following details: -

No.	Particulars	Example
01	Income from Charitable or religious activities -section 335 (a)	(i) tuition fees received by the RNPO which is an educational institution, (ii) medical treatment charges received by RNPO which is the hospital etc.
02	Income from 'fully' charitable or religious property, deposit or investments -as per section 335 (b) other than clause [e] of section 335.	Rent for the house property, interest on fixed and savings deposit, dividend on investment in the approved mutual funds etc.
03	Income from 'partly' charitable or religious property, deposit or investments -as per section 335 (c) other than clause [e] of section 335.	Examples as No. (02) above.
04	Donations as referred to in section 335 (d)	Example: - 'voluntary' donations 'without any conditions.'
05	Gains from the commercial activity as referred to in section 335 (e.)	Example, Transport facility made available by the RNPO to the general public [if not covered by other earlier six limbs of definition of charitable purpose as per section 2 [23].

Part B, form 108-row eight-details of ‘application of [regular] income’-New concept: -

Row eight of Part B of this form 108 requires the RNPO to give the details of **[i] application of its ‘regular income, [ii] for charitable or religious purposes, [iii] in India and [iv] as per section 341 [1] to section 341 [4].**

Though this is **given in only one page** in these **four sub-sections**, its **coverage is very vast**. These four sub-sections contain **a list of admissible and prohibitive items** of expenses to be eligible to be treated as the application of income.

Admissible items: -

[a] **Section 341 [1] [a]:** -Any sum applied **by actual payment in India** for by it for **charitable or religious purposes for which it is registered** and in compliance of **section 35 [b] [i] [non-TDS cases]** and sections **36 [4] to 36 [7]** – limiting **cash expenses** to maximum Rs. 10,000.00

[b] **Section 341 [1] [b] - Only 85%** of any **‘general’ donation made [not ‘corpus’ donation]** to any other RNPO.

[c] **Section 341 [2] Re-investment in corpus or repayment of loan** subject to certain **conditions**.

Fully Inadmissible items: - Section 341 [3] and Section 341 [4]

[a] Section 341 [3] [a]: - Depreciation where asset in full is claimed as an application;

[b] Section 341 [3] [b]: - Excess application of any previous tax year-;

[c] Section 341 [3] [c]: -Any **‘corpus’ donation made** to any other RNPO-**[unlike 85% of general donation U/S. 341 [1] [b] -**

[d] Section 341 [4] Any application from the following **five sources; [ABCDS]**

[i] Accumulated income; **[ii] Borrowings or Loan** **[iii] Corpus**

[iv] Deemed Accumulated income; and **[v] specified income.**

Part B of form 108-Rows nine - details of ‘option’: -

Row nine of Part B of this form 108 requires the RNPO to give the details of amount of its ‘regular income **in respect of which it is exercising an option U/S. 341 [5].**

As a sound policy and as a matter of prudence, the **maximum amount** for which an **option** may be exercised is as under: -

<u>No.</u>	<u>Particulars</u>	<u>Amount -Rs.</u>	<u>Amount- Rs.</u>
01	<u>Regular income</u>	xxxx	xxxx
02	<u>Less: - [a] Deemed accumulated income-15% of regular income U/S. 343 [1]</u>	xxxx	
	[b] Actual Application of income	xxxx	
	[c] Basic exemption for relevant tax year	xxxx	
	[d] Total of [2] [a] to [2] [c]		xxxx
03	Amount of option to be exercised [01] less [02] [d]		xxxx

Notes: -

[a] For practical case, you may refer to example given on first and second page of this note.

[b] As per **note number five at the end** of this form, the amount for which the option is exercised is to be treated as the **deemed application under section 341 [5]**.

Form No 108, Row No ten - reasons for exercising the option: -

This row requires the RNPO to **state one of the two reasons** for exercising the option. These **two reasons** are as under:

(i) The income is **not received** during the Tax Year; (ii) Any **other reason**.

The **reason chosen** by the RNPO in this row is going to have a **direct effect on the period** within which this amount is to be applied. Hence, the **proper care** must be taken while exercising the option.

Part C: - Exercise of the option.

Tenth row in part B is followed by **Part C** containing the **title 'exercise of the option'** by the RNPO stating: -

(01) the **desire** to exercise the option,

[02] **amount** of income to be treated as the **'deemed Application'** and

(03) the **reason** for the same **as at row ten above**.

Signature: -

As per **note number three** at the end of form No. 108, this form is required to be **signed by** (01) the **trustee** or (02) the **principal officer** of the RNPO.

It may be either through the Digital Signature Certificate-**DSC**- or the Electronic verification-**EVC**.

Like Forms 104 and 105, this signatory is **not necessarily the person** who is specially **authorised to verify the return of income U/S. 263**.

Submission to the jurisdictional officer: -

After signing of this form No. 108, the same is required to be submitted to the [a] **jurisdictional assessing officer [not the CIT-Exemptions] [b] electronically**.

Mode of furnishing form 108: - As per **Rule 184 [2]**, this form is required to be **furnished [a] electronically or [b] through electronic verification code**.

Action by the assessing officer: -

There is **no special action required to be taken by the assessing officer** on this option exercised in form 108.

However, he is duty bound to **see the actual application of the deemed application** amount.

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Form No. 109 under rule 185 –Statement of accumulation or setting apart of income under section 342 [1].

Contents of Form No. 109: -

Form 109 contained in the Income-Tax Rules, 2026, is divided into **two parts – A and B** with **nine rows [6 rows for part A and three rows for part B only.]**

Part B is followed by **seven 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.

Like some other forms and as per **note number six** at the end of this form, there will be **automatically pre-filled data** based on the data available about the applicant on the portal of the Income-Tax Department **like name, address, PAN, etc.**

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

In this connection, **note one** requires that the name [of the applicant RNPO **shall include its 'full name.'** **It is 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**. 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, five and six: - Part A-PAN, Email address, contact number and tax year: -

These rows refer to the[a] **Permanent Account Number, [b] Email address & [c] contact number** of the respectively. All these three issues are **self-explanatory** [needing no clarification] and may be **pre-filled**, with Name and address, by the portal of the Income-Tax Department as stated in **note number six** at the end of this form.

In the sixth row of **tax year**, the tax year **for which the income is to be accumulated** is to be given.

Part B of this form No. 109 - the details of accumulation: -

Part B of this form No. 109 contains the **details of accumulation** and is followed by **three rows-seventh to ninth**. The **details of these three rows** are as under: -

<u>Sr. No.</u>	<u>Row No.</u>	<u>Contents</u>
01	07	<u>Accumulation</u> for the ' <u>current</u> ' Tax Year
02	08	Status of <u>accumulation</u> of all the ' <u>previous</u> ' Tax Years
03	09	<u>Non-application</u> of accumulated income due to court order or an injunction.

Section 342 [1] Accumulation of income: -

Section 342 (1) of the Act deals with 'statement' to be furnished by the RNPO in form No 109 under rule 185.

What is implied by the term 'Accumulation?'

Conceptually, there is **no difference** between [a] an **accumulation and option** on one side under **The Income-Tax Act, 1961 / 2025, and [ii] a provision** made in the books of account on the other side.

An [**estimated**] **provision** is made **for expenses outstanding** at the end of the tax year. Similarly, the [**accurate**] **accumulation** is made for the purpose of achieving the **85% statutory application of the regular income on its objects in India** by the RNPO.

Moreover, the **provision** is made **even if the assessee is in a loss.** However, in **absence of positive regular income, an accumulation and option, are not at all required.** In case of **an accumulation & option, positive regular income is essential.**

Section 342 [1] - Summarised provisions with reference to accumulation: -

Following summarised provisions are contained in section 342 [1] to be read with **note number five** below this form with reference to the accumulation of income: -

[01] Section 342 [1]: -A statement [form 109] to be furnished by the RNPO **by the due date** of furnishing of its return of income [31st October at present immediately following after the tax year.] The statement should **contain [i] the purpose and [ii] period [of maximum five years]** for which the accumulation is made.

[02] Section 342 [2]: -Restriction on payment from such accumulation: - Section 342[2] provides that **any payment from such accumulated income to another RNPO** shall be **inadmissible** for the purpose of computation of income applied.

[03] Section 342 [3]: - Extension of period of accumulation: -Section 342 [3] provides that the period of non-application due to **court order or injunction** during the period of accumulation shall be **excluded from the maximum five years.**

[04] Section 342 [4] Investment or application of income: - Section 342 [4] provides that the income accumulated under Section 342 [1] should be **[a] invested or deposited** as per the **modes permitted under section 350** or **[b] applied for the purpose specified in sub-section [1] only.**

[05] Section 342 [5] Change of purpose of accumulation: -Section 342 [5] provides that the RNPO **'may'** make an **application [in form 110] to the jurisdictional assessing officer** for **change of the purpose** for which the income is accumulated under Section 342 [1].

[06] Section 342 [6] Permission to the change of purpose of accumulation: - Section 342 [6] provides that on an **application [in form 110],** the **assessing officer 'may'** allow the RNPO to apply its income **'in India'** for **the changed purpose.** However, it further provides that the **changed purpose must be [i] as per the objects of RNPO & [ii] the same should not be paid to any other RNPO. See No. 07 below too.**

[07] Section 342 [7] Dissolution of RNPO and permission to the change of purpose of accumulation: -Section 342 [7] provides that on **dissolution of RNPO** and an **application made by such RNPO,** the **assessing officer 'may'** allow the

RNPO to apply its income **to be paid to any other RNPO [against No. 06 above] in the year of dissolution.**

Row seven of Form 109: -

It deals with the **accumulation for the 'current Tax Year'** in **a six columnar tabular form.**

Accumulation for the 'current Tax Year' ONLY ONE ROW					
Sr. No.	Purpose for which an amount is being accumulated	Amount accumulated -Rs.	Starting tax year of the period of accumulation	Ending tax year of the period of accumulation	Date of resolution passed by the trustees
[01]	[02]	[03]	[04]	[05]	[06]
01					

Comments: -

[01] Only one row in the table: -

Unlike the **multiple rows** contained in the tables below the **rows eight and nine**, the table in this row No. seven **contains rightly only one row** to mention the **tax year** for which a statement of accumulation of income is furnished.

[02] Purpose for which an amount is being accumulated-second column: -

Neither the rules nor the form requires the **'specific' purpose to be stated.** As a measure of **abundant precaution**, the RNPO may mention the purpose as **simply 'the charitable [or religious] purposes as per objects clause No. _____ of the trust deed or the Memorandum of Association etc.**

[03] How much amount to be accumulated?-third column: -

As per Section 336 [a], the RNPO is **required to apply 85%** of its **'regular income'** for [its] **'charitable or religious purposes' 'in India.'** Any shortfall therein is subject to **[a] an option** under section under section 341 [5] or **[b] a statement** under section 342 [1].

The amount of accumulation needs to be decided very carefully. Following is the example therefor. **Example: -**

No.	Particulars	Amount-Rs.
01	The regular income of RNPO for the tax year	10,00,000.00
02	Deemed accumulated income of regular income on charitable objects in India – 15% - section 343.	01,50,000.00
03	Required application of regular income on charitable objects in India – 85% [No. 01 less No. 02]	08,50,000.00
04	Actual application of regular income on charitable objects in India	04,00,000.00
05	Shortfall in the required application of regular income on charitable objects in India – [No. 03 less No. 04]	04,50,000.00

However, this RNPO shall, as apart of prudence, exercise the option only to the tune of Rs. 2,00,000.00 **considering basic exemption limit** of Rs. 2,50,000.00 admissible presently to the AOP-Trust.

This will **reduce future liabilities of application** out of the accumulated income.

[04] Tax Years of commencement and conclusion- Columns four and five: -

These columns are self-explanatory. However, as a measure of **abundant precaution**, it is **recommended** that the **Tax Year of conclusion** for application of income is resolved as the **fifth year** only from the tax year chosen for accumulation of the income. For example, the tax year chosen for accumulation of the income is **2026-2027**. Then the concluding tax year for application of the accumulated income should be **2031-2032**.

[05] Resolution of the Trustees etc. – Column six: -

The decision of the accumulation of regular income needs to be taken under the **resolution** passed by the **board of trustees**. It is **not required to be passed by the general meeting** of the members of the RNPO. The resolution should **specify the [a] purpose, [b] period and [c] amount** of accumulation of the regular income.

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Row eight of Form 109: -

It deals with the '**current status**' of accumulation for the '**earlier Tax Years**' in a **tabular form**.

The ' current status ' of accumulation for the ' earlier Tax Years ' - Multiple rows based on the situation unlike single row for Row seven							
Sr. No.	Tax year of accumulation	Date of filing form 109 [* - see note below]	Amount accumulated - Rs.	Tax year up to which accumulated	Amount applied up to the end of the current Tax year-Rs.	Amount remaining for application - Rs. [No. 04 less No. 06]	Amount of accumulation treated as Specified income U/S. 337. [08]
[01]	[02]	[03]	[04]	[05]	[06]	[07]	[08]
01							
02							
INSERT ROWS, IF REQUIRED.							

Note for row eight: -As per **note three** at the end of this form, **a separate row** is to be used **for each of the tax years** of accumulation.

Note-[*] In **column 03** of table in **row eight** of **form 109** is **to be read** as '**form 10**' also.

Additional comments: -

[01] Case of 'No statement of accumulation' in the [current] tax year: -

It seems that if there is no statement of accumulation for the [current] tax year but there was a statement of accumulation in the earlier tax years/s, form 109 need not be furnished. Given below is an example for the same,

Example: - [a] Tax year 2025-2026-Accumulation of Rs. 5,00,000.00, **Form 10** as then applicable is furnished in time,

[b] Tax year: -2026-2027: -

[i] No accumulation is required for the tax year 2026-2027;

[ii] part application out of accumulation of Rs. 5,00,000.00 for Tax 2025-2026 of Rs. 2,00,000.00 is made,

[iii] leaving an unapplied accumulation Rs. 3,00,000.00.

[c] Conclusion: -In this situation, there seems to be **no need of form 109** for the tax year 2026-2027. However, a **disclosure is required to be made in the return** of income.

[02] Columns [02 to [07]: - These columns are **self-explanatory** and needs no further clarifications.

[03] Columns 08 - Specified income under section 337: -

Serial number 08 of table under **section 337** provides that [a] any portion of **accumulated income**, [b] is **not applied** as per section 341 [1] to [4] **for the purpose** for which it is accumulated, [c] **within the period** specified in section 342 [1] for which it is accumulated, [d] it will be a **specified income** and [e] **taxable in the last tax year** for which it was accumulated.

Example: - Tax year 2023-2024, **Amount accumulated** Rs. 5,00,000.00

Period of accumulation: -2024-2029 **Application up to last tax year**-Rs. 3,00,000.00

Unspent accumulation up to last tax year-Rs. 2,00,000.00.-**Specified income-2028-2029**

Exclusion of accumulated income from time limit: -

However, if there is any **court order or injunction** due to which this accumulated income **could not be applied** by the RNPO as per section 342 [1], said amount is **excluded from the provisions of serial number 08** of section 337 in relation to specified income. **Details of such court order or injunction** are required to be given in the **ninth row** of form 109

Row nine of Form 109: -It deals with the **non-application of accumulation** due to **court order or injunction** in a **tabular form**.

Non-application of accumulation due to court order or injunction.				
Sr. No. [01]	Tax year of accumulation [02]	Amount of accumulation – Rs. [03]	Tax year / years of non-application [04]	Details of the order or injunction by the Court [05]
01				
02				Insert rows, if required.

Signature: -

As per **note number 04** at the end of this form No. 109, this form is required to be **signed by** (01) the **trustee** or (02) the **principal officer** of the RNPO. It may be either through the Digital Signature Certificate-**DSC**- or the Electronic verification-**EVC**. Like Forms 104 and 105, this **signatory** is not necessarily the person who is specially authorised to verify the return of income U/s. 263.

Submission to the jurisdictional officer: -

After signing of this form No. 109, the same is required to be submitted to the [a] **jurisdictional assessing officer [not the CIT-Exemptions] [b] electronically.**

Action by the assessing officer: -

There is **no special action required to be taken by the assessing officer** on this statement of accumulation in form 109. However, he is duty bound to **see the actual application of the accumulated income** amount and if necessary, **computation of specified income.**

0=0=0=0=0=0=0=0=0=0=0=0=0=0=0=0=0=

Section 342 [5] and rule 186 - Change of purpose of accumulation and Form No. 110 - an application for the same: -

Section 342 [5] provides that the RNPO 'may' make an **application [in form 110 prescribed under rule 186 [1]] to the jurisdictional assessing officer** for **change of the purpose** for which the income is accumulated under Section 342 [1].

Time limit: - There seems to be **no direct provision** in the Act regarding the **time limit** within which this application is to be made. However, in the light of the provisions contained in **table serial number eight of section 337**, such **non-application within the period** of accumulation is **treated as the specified income.** Impliedly, such an application needs **to be made before the end of the last tax year.**

Number of forms and multiple Tax years of accumulation: - There seems to be **no direct provision** in the Act regarding the **number of forms-single or multiple** which are required to be furnished by the RNPO for seeking the change of purpose of accumulation. **A separate application [and not a combined application for multiple years]** is required to be made **for each tax year of accumulation.**

Contents of Form 110: -

Form 110 contained in the Income-Tax Rules, 2026, is divided in **two parts -A to B** with **six rows [five rows for parts A and only one row for part B.]**

These two parts are followed by the **verification** and **five 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.

As per note number four at the end, like some other forms, there will be **automatically pre-filled data** based on the data available about the applicant on the portal of the Income-Tax Department **like name, address, PAN, etc.**

Row one: Part A- Basic details - Name of the applicant trust. In this connection, **note one** requires that the name [of the applicant RNPO **shall include its 'full name.'** **It is 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.** 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 contact number: -

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 four** at the end of this form.

Row Six of the Part B: -

This is the only row containing the **tabular information** about the [a] **income accumulated**, [b] **original purpose** and [c] **proposed purpose.**

This **table is divided in twelve columns and in two parts-** [a] **Details as per original form 109** furnished –**seven columns** & [b] details of **proposed changes** –**five columns.**

Part [a] of the table - Details of amount accumulated						
Sr. No.	Tax year of accumulation	Date of filing form No. 109 [or form 10-aded by me]	Acknowledgement No.	Ending tax year	Amount accumulated -Rs.	Unapplied Amount accumulated Rs.
[A]	[B]	[C]	[D]	[E]	[F]	[G]
01						

Part [b] of the table - Details of proposed changes				
Amount accumulated for which change of purpose is requested [not more than amount stated in column [G] -Rs.	Original purpose	New purpose	Date of resolution passed by the trustees	Reason for change of accumulation
[H]	[I]	[J]	[K]	[L]

All these columns are **self-explanatory**

Verification of the form: -

This row cum table is followed by a verification. **Rule 186 [2]** further prescribes that the form No. 110 shall **be verified** by the person **'authorised' to verify the return of income** under section 265. However, in **note number three** at the end of this form No. 110, it is stated that this form **should be signed by the trustee or the principal officer.**

Contents of the verification: - [a] **Correct and complete information** is given.

[b] It is as per the **provisions of the Act.** [c] **Capacity & competency** of the signatory.

Note: -

Verification [which is **only under Form 110**] wrongly refers to the **'certificate' [including its issuance]** in place of an **'application'** made in this form.

Submission of the form: -

Rule 186 [2] further prescribes that the form No. 110 shall **be furnished electronically** under Digital Signature Certificate-**DSC** or through electronic verification code-**EVC**.

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Form No. 111 – the Resultant order: -

Section 342 [6] Permission to the change of purpose of accumulation: -

Section 342 [6], read with **Rule 186 [3]**, provides that on an **application [in form 110]**, the **assessing officer ‘may’ allow** the RNPO to apply its income ‘**in India**’ for **the changed purpose**.

It further provides that the **changed purpose must be [i] as per the objects** of RNPO and [ii] the same should **not be paid to any other RNPO**.

However, as per provision contained in **section 342 [7]**, **the assessing officer may allow** the RNPO **to donate he said amount to another RNPO if the applicant is dissolved**.

Contents of form No. 111: -

This form is divided in **four parts: - [A], [B] [C] AND [D] and eight rows**.

Part A deals with the **personal information** of the RNPO in **first five rows** of the form. It includes **name, address, PAN, E-mail and Contact number** of the RNPO. As per **note number four**, these details may be **pre-filled**.

Part B –rows six to eight- deals with **other information** as under: -

Row 6: -detail of **form 110** U/S. 342[5] –**acknowledgement number and date**

Row 7: -hearing opportunities **Row 8: - DIN – probably for row No. 7.**

Part B is followed **Part C–approval order U/S.342 [6]** contains the following **details:**

[a] Tax year / tax years **[b] Amount accumulated,**

[c] Original purpose **[d] Changed purpose**

Part C is followed **Part D – rejection order U/S. 342 [6]** containing the reasons for rejection.

Either of these two parts- Part C or part D **will be filed up** by the Assessing officer.

There seems to be **no time limit prescribed for the assessing officer** within which **the order is to be passed**. Taking into account the purpose of this provision, the needs to be passed before the end of the **last tax year**.

Best wishes for your professional and social journeys.

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Form	Concluding paragraph	Form	Concluding paragraph
104	Undertaking-1 st time application	105	Undertaking- Renewal
106	NA since order of the CIT / CPC	107	NA since order of the CIT
108	Exercise of option-Deemed application	109	Blank -accumulation
110	Verification-Change of purpose	111	NA since order of the AO.

Best wished for your professional and social journey. E & O E