

ABSTRACT

Chapter 1 provides an overview of the voluntary sector in India in general and the charitable trusts in particular. Also, an overview of the taxation policy towards the voluntary sectors has been taken. **Chapter 2** contains detailed discussion about the preamble of the study, the objectives, the hypotheses formulated, the scope of the study, sources of data and the research design. **Chapter 3** is divided in two parts. The first part contains detailed discussion regarding modalities of creation and structure of a trust. The second part discusses in detail the definition of charitable purpose as given in section 2(15) of the Income Tax Act, 1961 and the need to modify the same. The case study conducted by the researcher is discussed in detail in this connection. **Chapter 4** deals extensively with the exemption provisions given under section 11, section 12, section 10(23C) and section 80G of the Income Tax Act, 1961. The various judicial pronouncements are considered wherever applicable. The scope and extent of these provisions and modifications required are discussed. **Chapter 5** discusses in detail the provisions of section 13 of the Income Tax Act, 1961 regarding forfeiture of exemptions in the event of violation of the provisions or use of trust property for personal gain by the trustees. **Chapter 6** A detailed study of the mechanism present in the department for implementation of the provisions has been undertaken. The effectiveness of the same has been evaluated and suggestions for improving the same are given. This chapter also gives the details of findings based on the questionnaire issued to the C.A./ Income Tax Practitioner. **Chapter 7** provides a summary of the conclusions and recommendations given in the preceding chapters.