

# Tax relief on contribution to IIMA Endowment fund

## A. EXTRACT FROM EMAIL FROM IIMA

Donations made to IIMA are [100% tax deductible u/s 80G\(2\)\(a\)\(iiif\)](#) of the Income Tax Act, 1961.

1. When a donor makes a donation to an Institution like IIMA, which is covered under **Section 80G (2)(iiif)** for a 100% tax deduction without limit, please clarify how it applies & calculates as taxable income benefit to the donor. - [If a donor makes a donation to IIMA, then 100% deduction is allowed to the donor without any limit.](#) For e.g. if donor's Gross total income is Rs. 8 crore and donates Rs. 2 crores to IIMA, then deduction of Rs. 2 crores will be allowed to the donor. The donor will be liable to pay tax on Total Income of Rs. 6 crore.
2. Adding to the Q1, Are there any upper limits for tax deduction under **Section 80G (2)(iiif)**? - [There is no upper limit for tax deduction u/s 80G\(2\)\(a\)\(iiif\) for donations made to IIMA. The aggregate amount of deduction u/s 80C to 80U cannot exceed Gross Total Income.](#)
3. When will Section 80C of the Income Tax be applicable to the taxable income amount, in the context of a donation made under **Section 80G (2)(iiif)**? - [80C and 80G\(2\)\(a\)\(iiif\) are independent sections for claiming tax deduction. Tax deduction u/s 80C is applicable when an investment is made in PPF, LIC, ELSS etc. while 80G\(2\)\(a\)\(iiif\) would be when donations are made to IIMA or such notified institutions.](#)

## B. IS DONATING TO THE ENDOWMENT FUND THE SAME AS DONATING TO IIMA?

Yes. All donations go to IIMA as only IIMA has the ability to give the tax break. Endowment general corpus is a separate bank account of IIMA.

When one donates to IIMAEF, it's one of the bank accounts of IIMA. The PAN used during the transaction also belongs to IIMA only.

## C. IS IIMA NOTIFIED UNDER SECTION 80 G?

See extract on next page

GAZETTE OF INDIA

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
DIRECTOR GENERAL OF INCOME-TAX (EXEMPTIONS), CALCUTTA.  
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Dated the 10th February, 1994.

NOTIFICATION  
(INCOME-TAX)

No.197 to 220 (F.No.DG(E)/80G/93-94 ): In exercise of the powers conferred by the sub-clause (iiif) of clause (a) of sub-section(2) of section 80G of the Income-tax Act, 1961 (43 of 1961), the prescribed authority hereby notifies the following educational institutions of national eminence for the purpose of the said sub-clause, subject to the following conditions, namely :-

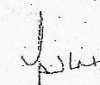
- (i) the educational institution of national eminence will apply the amounts of donations received, wholly and exclusively to the objects for which it is established;
- (ii) in respect of the donations received under the aforesaid provisions and expenditure made therefrom, the educational institution of national eminence shall maintain separate accounts;
- (iii) a copy of the accounts of each accounting year shall be submitted to the prescribed authority by the 31st December next following the last date of the accounting year.

( B.K. DIWAN )  
DIRECTOR GENERAL OF INCOME TAX  
(EXEMPTIONS), CALCUTTA.

Names of the Institutions:

- 197) National Institute of Foundry & Forge Technology,  
Ranchi - 834 003.
- 198) North-Eastern Regional Institute of  
Science and Technology, Itanagar - 791 110.
- 199) Longowal Institute of Engg & Technology  
Longowal - 160 001.
- ✓ 200) Indian Institute of Management,  
Vastrapur, Ahmedabad - 380 015.
- 201) Indian Institute of Management,  
Bannerghatta Road, Bangalore - 560 076.

ATTESTED

  
Manager (Finance & Budgets)  
Indian Institute of Management  
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