

No.DT(EY/80G/101/W-297-08

Office of the
Director of Income-tax (Exemptions),
3rd floor, C.R. Buildings, Queen's Road,
Bangalore - 560 001.
Date: 20.07.2007

To

**THE ASSOCIATION OF PEOPLE WITH
DISABILITY,**

8th Cross, Hitech Road, Hennes Road,
(Lingajapuram), St. Thomas Town Post,
Bangalore - 560 084.

FAN : AAATT192IX

Sub: Recognition u/s.80G (5)(vi) of the Income Tax Act, 1961 - reg.
Ref: Your application dated: 27.02.2007.

With reference to your application cited above seeking Recognition u/s.80G (5)(vi) of the I.T.Act, 1961, this is to inform you that Recognition u/s.80G (5)(vi) of the Income Tax Act is granted to : **THE ASSOCIATION OF PEOPLE WITH DISABILITY** for the period from 20.07.2007 to 31.03.2010.

2. The donations made to the above institution/trust are exempt u/s.80G (5)(vi) of the I.T.Act, 1961 in the hands of the donors subject to the limits prescribed there in.
3. The grant of this recognition is subject to the following conditions:
 - a) The Trust must issue serially numbered and dated receipts to the donors duly signed by any one of the Trustees.
 - b) Receipts issued to the donors should bear the number and date of this Order as also the period of its validity.
 - c) Statement of accounts, receipts and payments account Income & Expenditure account, balance sheet and return of income should be submitted annually to the jurisdictional Assessing Officer within the due date specified under the Income Tax Act.
 - d) If further recognition is to be sought, an application has to be made to this office before expiry of the above period mentioned in this Certificate along with following details:
 - i) Note on activities of the Trust.
 - ii) Copies of acknowledgements and returns filed for the period covered by the Certificate.
 - iii) Certificate u/s.13(1)(c) signed by all the trustees/managing committee members.
 - iv) Form No.10G in duplicate.
 - v) Copies of old 80G & 12A(a) registration certificate.
 - vi) Copy of audited accounts for last three years.



- vii) Details of business activity if any.
 - viii) Names & addresses of Managing Committee Members.
 - ix) Details of donations given by the Trust.
 - x) Details of donation received by the Trust during the currency of this certificate.
- e) This Certificate of exemption is given for the benefit of donors and shall be in force till the date of expiry or till the date of its cancellation which ever is earlier.
- f) The Trust should maintain proper books of accounts and supporting vouchers/documents duly signed by the authorized persons and a certificate regarding compliance with these conditions laid down herein.

Subject:- Period of validity of approvals issued under Section 10(23C) (iv), (v), (vi) or (vii) and Section 80G(5) of the IT Act-clarification req.

The Board has received various references from the field Examiners as well as members of public about the period of validity of approvals granted by the Chief Commissioners of Income Tax or Directors General of Income Tax under sub-classes (iv), (v), (vi) and (vii) of Section 10(23C) and by the Commissioners of Income Tax or Directors of Income Tax under Section 80G(5) of the Income Tax Act, 1961.

2. It has also been noticed by the Board that different field authorities are interpreting the provisions relating to the period of validity of the above approvals in a different manner. The following instructions are accordingly issued for the removal of doubts about the period of validity of various approvals referred to above.

3. Sub-Class (iv) and (v) of Section 10(23C) were amended by Taxation Laws (Amendment) Act, 2006 by insertion of the following proviso to that clause:-

"Provided also that any notification issued by the Central Government under sub-clause (iv) or sub-clause (v), before the date on which the Taxation Laws (Amendment) Bill, 2006 receives the assent of the President", shall at any one time, have effect for such assessment year or years, not exceeding three assessment years (including an assessment year or years commencing before the date on which such notification is issued) as may be specified in the notification."

The insertion behind the insertion of the above proviso was laid out in the relevant portion of the explanatory notes to the Taxation Laws Amendment Act, 2006 which reads as under:

"A need has been felt to dispense with the requirement of periodic renewal of notifications. The requirement of periodic renewal of notifications has been resulting in delays in their renewal.

5.2 In order to overcome delays, the eighth proviso to section 10(23C) has been amended so as to provide that the above mentioned limit of effectivity for three assessment years shall be applicable in respect of notifications issued by the Central Government under sub-clause (iv) or sub-clause (v) before the date on which Taxation Laws (Amendment) Bill, 2006 receives the assent of the President.

5.3 The Taxation Laws (Amendment) Bill, 2006 received the assent of the President on 13.07.2006. Therefore, on account of the above amendment any notification issued by the Central Government under the said sub-clause (iv) or sub-clause (v), on or after 13.07.2006 will be valid until withdrawn and there will be no requirement on the part of the assessee to seek renewal of the same after three years.

The intention of legislature that the approvals under Section 10(23C) (iv) & (v) after the cut off date mentioned above would be a one time approval which would be valid until withdrawn, is thus sufficiently clear.

4. Approvals under Sub-Class (vi) and (vii) of Section 10(23C) are governed by the procedure contained in Rule 2CA. Rule 2CA was amended w.e.f. 1.12.2006, inter alia by substitution of the existing sub-rule J by a new provision which is reproduced below:-

"(J) The approval of the Central Board of Direct Taxes or Chief Commissioner or Director General, as the case may be, granted before the 1st day of December, 2006 shall at any one time have effect for a period of exceeding three assessment years."

Read in isolation, without any further guidance as was given by way of explanatory notes to Finance Act, 2006 in respect of amendment of sub-clause (iv) & (v) of Section 10(23C), the above amendment leaves some scope for doubt about the period of validity of the approval under Section 10(23C)(vi) and (vii) on or after 1.12.2006. For the removal of doubts if any in this regard, it is clarified that as in the case of approvals under sub-clause (iv) & (v) of Section 10(23C), any approval issued on or after 1.12.2006 under sub-clause (vi) or (vii) of that sub-section would also be a one time approval which would be valid till it is withdrawn.

3. As regards approvals granted upto 1.10.2009 under Section 80G by the Commissioners of Income Tax & Directors of Income Tax, proviso to Section 80G(5)(vi) clarified that any approval shall have effect for such assessment year or years not exceeding five assessment years as may be specified in the approval. The above proviso was deleted by the Finance (No. 2) Act 2009. The intent behind the deletion of above proviso as explained in the explanatory memorandum to Finance (No.2) Bill, 2009 was as under:

"Further as per clause (vi) of sub-section (3) of section 80G of the Income-tax Act, 1961, the institutions or funds in which the donations are made have to be approved by the Commissioner of Income-tax in accordance with the rules prescribed in rule 11AA of the Income-tax, 1962. The proviso to this clause provides that any approval granted under this clause shall have effect for such assessment year or years, not exceeding five assessment years, as may be specified in the approval.

Due to this limitation imposed on the validity of such approvals, the approved institutions or funds have to bear the hardship of getting their approvals renewed from time to time. This is highly burdensome for the bona fide institutions or funds and also leads to wastage of time and resources of the tax administration in renewing such approvals in a routine manner.

Therefore, it is proposed to omit the proviso to clause (vi) of sub-section (3) of section 80G to provide that the approval once granted shall continue to be valid in perpetuity. Further, the Commissioner will also have the power of withdraw the approval if the Commissioner is satisfied that the activities of such institution or fund are not genuine or are not being carried out in accordance with the objects of the institution or fund. This amendment will take effect from 1st day of October, 2009. Accordingly, existing approvals expiring on or after 1st October, 2009 shall be deemed to have been extended in perpetuity unless specifically withdrawn."

It appears that some doubts still prevail about the period of validity of approval under Section 80G subsequent to 1.10.2009, especially in view of the fact that no corresponding change has been made in Rule 11A (4). To remove any doubts in this regard, it is reiterated that any approval under Section 80G

(3) on or after 1.10.2009 would be a one time approval which would be valid till it is withdrawn.

F.No.197/21/2009-ITA-I
(Raman Chopra)
Director (ITA-I)

Annexure - 5

No.DT(E)/CORRIGENDUM/W-207-08
(DT(E)/90G/101/W-207-08)

Office of the
Director of Income-tax (Exemptions),
3rd floor, CB Buildings
Queen Road, Bangalore-1
Date: 29.10.2007

PROCEEDINGS OF DIRECTOR OF INCOME-TAX(EXEMPTIONS), BANGALORE

(ASHUTOSH CHANDRA)
DIRECTOR OF INCOME-TAX(EXEMPTIONS),
BANGALORE

CORRIGENDUM

Sub: Recognition s/s.80G(14)(v) of the Income-tax Act, 1961 -
In the case of The Association of People with Disability - Reg

Ref: Recognition s/s.80G dated 30.7.2007

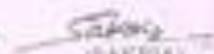
Whereas The Association of People with Disability had applied for grant of renewal of recognition s/s.80G on 27.2.2007 and renewal of recognition was granted vide No.DT(E)/90G/101/W-207/08 dated 30.7.2007 for the period 30.7.2007 to 31.3.2010.

2. Whereas the applicant in its letter filed on 21.8.2007 submitted that the applicant is an NGO (Charitable Organization) working for the welfare of persons with disability and have been in the field for the last over 48 years and most of friends and well wishers who have supported and are still supporting them. The applicant had submitted that it has received donations from friends and well wishers during the period from 1.4.2007 to 31.7.2007 and requested that recognition s/s.80G be given from 1.4.2007 instead of from 31.7.2007. The applicant vide letter dated 8.10.2007 has pointed out that the PAN No. mentioned in 80G recognition letter is wrongly mentioned as AAATT1921X instead of AAATT1921H and requested for correcting the mistake in mentioning the PAN No.

3. In view of the above facts and circumstances, the recognition s/s.80G No.DT(E)/90G/101/W-207-08 dated 30.7.2007 is modified to the extent that the period "From 30.7.2007 to 31.3.2010" will be read as "From 1.4.2007 to 31.3.2010" and PAN "AAATT1921X" will be read as "AAATT1921H".

S/-
(ASHUTOSH CHANDRA)
Director of Income-tax (Exemptions)
Bangalore

To
The Association of People with Disability,
6th Cross, Hichiky Road, Old Heenan Road,
Laganajapuram, St. Thomas Town P.O., Bangalore-560 044


(SAKRIA)
Income-tax Officer, Ward-1(2)
for Director of Income-tax (Exemptions),
Bangalore.