



GOVERNMENT OF INDIA
INCOMETAX DEPARTMENT
OFFICE OF THE DIRECTOR OF INCOMETAX (EXEMPTIONS)
ANNEXE III FLOOR, 121 MAHATMA GANDHI ROAD, CHENNAI 600034

DIT(E) NO.2(521)/99-2000

DATED: 17-06-2009

To
THE DIRECTOR,
MADHURAM NARAYANAN CENTRE FOR
EXCEPTIONAL CHILDREN,
126, G.N. CHETTY ROAD,
CHENNAI - 17

Sir(s)/Madam,

Sub: Renewal of approval u/s.80 G of the I.T. Act,1961 -Your own - reg.
Ref: Your request filed on 23.12.2008

Approval under Sec.80 G was granted to you in respect of donations received up to 31.03.2009 vide this office letter of even number dated 26.06.2006. The same is hereby renewed u/s.80G of the I.T.Act, from 01.04.2009 to 31.03.2012 (for the Asst.years from 2010-2011 to 2012-2013).

2. The renewal is valid in respect of donations received by you from 01.04.2009 to 31.03.2012. In the receipts issued by you, the fact that the deduction will be eligible for donations received during this period only should be clearly mentioned. Please also note that the receipts issued to the donors should bear the number and date of this order.

3. You may apply for renewal in Form 10 G (in triplicate) duly filled in after the accounts are closed for the period ended 31.03.2011



Yours faithfully,

Sd/-
(J. ALBERT)
Director of Incometax (Exemptions)
Chennai-34.

Copy to the ADIT(E)-IV, Chennai .

//Certified True Copy//


(P.S.ARAVIND)
Income Tax Officer(H.Qrs)
(EXEMPTIONS), Chennai

(3) 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 not 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 clauses (iv) and (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 (Via) 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 clauses (iv) and (v) of section 10 (23C) any approval issued on or after 1.12.2006 under sub-clause (vi) or (via) of that sub-section would also be a onetime approval which would be valid till it is withdrawn.

5. As regards approvals granted up to 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 (5) of the section 80G of the Income tax act 1961, the institutions or funds to 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 rules, 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 unduly burdensome for the *bonafide* 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 (5) 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.