



सत्यमेव जयते

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(1048)03-04

DATED: 31/1/2007.

To

THE MANAGING TRUSTEE,
SEVALAYA,
KASUVA VILLAGE PAKKAM PO,
NEAR THIRUNINRAVUR 602 024.

Sir(s)/Madam,

Sub: Renewal of approval u/s.80G (5)(vi) of the
I.T. Act, 1961 - Your own - reg.

Ref: Your Application filed on 9/8/2006

Approval under Sec.80 G was granted to you in respect of donations received up to 31/3/2007 vide this office letter of even number dated 29/10/2004. The same is hereby renewed u/s.80G of the I.T.Act, from 1/4/2007 TO 31/3/2010 (A.Y 2008-09 TO 2010-11)

2. The renewal is valid in respect of donations received by you during 1/4/2007 TO 31/3/2010 (A.Y 2008-09 TO 2010-11). 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. 31/3/2009.

Yours faithfully,



Sd/-
(PREMA MALINI VASAN),
DIRECTOR OF INCOMETAX,
(EXEMPTIONS), CHENNAI.

//Certified True Copy//

Copy to

1. The ADIT(E) - I, with records and with reference to his letter 1731-S, DATED 22/1/2007.

R. SAMPATH KUMAR
Income Tax Officer(HQrs)
(EXEMPTIONS), Chennai

80G certificate. However, with effect from 01.10.2009 the 80G certificate has become permanent in nature. In other words, all 80G certificates valid on 01.10.2009 or issued after 01.10.2009 are permanent in nature unless it is specifically withdrawn by the Income Tax Department.

1.03 All NGOs holding a valid 80G registration as on 01.10.2009 need not apply for renewal even if such certificate is expiring on a date subsequent to 01.10.2009.

1.04 This issue was clarified by the Finance Minister in the Finance Bill, 2009. However, appropriate amendment were not made in the Income Tax Act or the Rules to effect the changes. Therefore, during the past 2 years there was an environment of confusion and controversy and the Commissioner of Income Tax (CIT) have been asking the NGOs to apply for renewal even after 01.10.2009.

1.05 To resolve the controversy the Central Board of Direct Taxes (CBDT) has recently issued a circular clarifying that all 80G registration valid as on 01.10.2009 and issued thereafter shall be perpetual in nature unless specifically withdrawn by the income tax department. The circular is provided in Annexure 1.

CONTROVERSY REGARDING SECTION 80G

1.06. The Finance Bill 2009 clearly stated that the existing 80G approvals shall become perpetual in nature. The Memorandum explaining provisions of the Finance Bill 2009 created the wrong notion by saying "existing approvals expiring on or after 1st October, 2009 shall be deemed to have been extended in perpetuity unless specifically withdrawn."

1.07 This was the promise made by the Finance Minister at the time of presenting the Finance Bill, 2009. However this intent

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was not supported by an appropriate amendment in the Income Tax Act or Rule. The explanation to the Finance Bill under clause-33 of the Bill was as under :

"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 to 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. However, in case of approvals expiring before 1st October, 2009, these will have to be renewed and once renewed these shall continue to be valid in perpetuity, unless specifically withdrawn."

1.08 In view of the above clarification made in the Finance Bill itself, through Memorandum, the approvals [under Section 80G(5) of the Act] expiring on or

FOR SEVALAYA

V. MURALIDHARAN
Managing Trustee

For SEVALAYA

FOR SEVALAYA

V. MURALIDHARAN