

**OFFICE OF THE DIRECTOR OF INCOME-TAX (EXEMPTION),
6th FLOOR, PIRAMAL CHAMBERS, PAREL, MUMBAI-400 012.**

ORDER NO.DIT(E)/MC/80G/412/2008/2008-09

Name & Address of the Trust/
Institution/Association : **CHILDLINK INDIA FOUNDATION**
701-B, CHURCHGATE CHAMBERS,
5, NEW MARINE LINES,
CHURCHGATE, MUMBAI - 400 020.

PAN : AAA TC 2665 F

12-A Registration No. : TR/35557 dated 26.04.2001

Date of filing : 30.04.2008

Date of Order : 12.11.2008

CERTIFICATE UNDER SECTION 80-G OF THE I. T. ACT
(INITIAL/RENEWAL)

On verification of the facts stated before me/hearing before me I have come to the conclusion that this organisation has satisfied the conditions u/s.80-G of the I.T. Act, 1961. It shall henceforth satisfy the conditions u/s.80-G(5) as laid down below:

1. The Donee Institution shall forfeit this benefit provided under the law if any one of the conditions stated herein is not applied with/flouted/abused/whifled down or in any way violated.
2. This exemption is valid for the period from **30.04.2008 to 31.03.2011** and subject to the following conditions:

CONDITIONS :

- i. You shall mainain your Accounts regularly and also get them audited to comply with section 80-G(5)(iv) read with section 12A(b) of the I. T. Act.
- ii. Every receipt issued to a donor shall bear the number and date of this order and shall state the date upto which this certificate is valid i.e. Assessment Year **2011-2012**.
- iii. No change in the Deed of the Trust/Association shall be effected without due procedure of law i.e. by the order of the jurisdictional High Court and its intimation shall be given immeditely to this office.
- iv. Under the provisions to section 80-G if you are registered u/s.12A, u/s.12AA(1)(b) or approved u/s.10(23), 10(23C)(vi)/(via), etc., shall have to maintain separate books of accounts in respect of any business activity carried on u/s.80-G(5)(i)(a) and shall intimate it within one month of commencement of such activity to this office.
- v. Under the provisions of section 80-G any donation received shall not be utilised for the purpose of any such business carried on whether directly/indirectly.
- vi. While issuing the certificate to the Donor the commitment made above should be honoured and it shall not be abused/used in any other purpose.
- vii. The institution shall ensure that no Non-Charitable purpose shall be served or sought to be served by the Trust/Society/Non-Profit Company as is informed in terms of Yogiraj Trust reported in 107 ITR 777 (SC).
- viii. It shall be ensured that at no time you shall utilised the institution or its funds for the benefits of any particular Religious community or caste prohibited u/s.80G(5)(iii).
- ix. This office and the Assessing Officer shall also be informed about the Managing Trustee/Manager of your Trust/Society/Non Profit Company and the place where the activities of the Trust/Institution are undertaken/likely to be undertaken to satisfy the claimed objects.
- x. In case Renewal is not sought from this office the manner in which the Assets shall be used/the purposed for which they shall be used shall be immediately informed to this office.
- xi. Religious expenditure should not exceed more than 5% of its total income.
- xii. The certificate u/s.80G of the I.T.Act 1961 does not automatically exempt the income of the Trust/Institution.

Copy to :

1. The applicant as above.
2. Guard File, ITO (TECH) DIT



- Sd/-
(R. K. SINHA)
Director of Income Tax (Exemption),
Mumbai.

Manul
(MANUL BAITHA)
Income Tax Officer (E)(Tech.)
For DIT(E), Mumbai

OFFICE OF THE DIRECTOR OF INCOME TAX (EXEMPTION)
6TH FLOOR, PIRAMAL CHAMBERS, PAREL, MUMBAI-400 012
022-24137883 (D) / 24132731 EXTN. 2616

No.DIT(E)/ITO(Tech)/80G/412 /2011-12

Dated : 20.10.2011

The Trustee/s
MAGIC BUS INDIA FOUNDATION,
ROOM NO. 5, TODI ESTATE,
A WING, 2ND FLOOR,
SUNMILL COMPOUND,
LOWER PAREL (W),
MUMBAI - 400 013.

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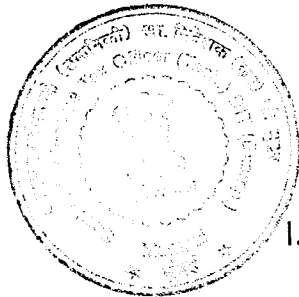
Sir,

Sub: Application for change of name – req. –

Ref: Your letter dated 22.09.2011 -

Please refer to the above.

2. In this connection, I am directed to intimate that change of name from ChildLink India Foundation to MAGIC BUS INDIA FOUNDATION is noted.



Yours faithfully,

(PANKAJ MEHTA)

I.T.O.(E)(TECH) FOR DIT(E), MUMBAI

CIRCULAR**INCOME-TAX ACT*****Section 10(23C)(iv) of the Income-tax Act, 1961 - Exemptions - Charitable or religious trusts/institutions - Clarification regarding period of validity of approvals issued under section 10(23C)(iv), (v), (vi) or (via) and section 80G(5) of the Income-tax Act***

CIRCULAR NO. 7/2010 [F. NO. 197/21/2010-ITA-I], DATED 27-10-2010

The Board has received various references from the field formations 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-clauses (iv), (v), (vi) and (via) 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-clauses (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 intention 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 13-7-2006. 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 13-7-2006 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) and (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-clauses (vi) and (via) of section 10(23C) are governed by the procedure contained in rule 2CA. Rule 2CA was amended with effect from 1-12-2006, *inter alia* by substitution of the existing sub-rule 3 by a new provision which is reproduced below :—

“(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 one time approval which would be valid till it is withdrawn.

5. 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 (5) of 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 *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 (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.”

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(5) on or after 1-10-2009 would be a one time approval which would be valid till it is withdrawn.

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29. Donations to Certain Funds, Charitable Institutions, etc.

29.1 Section 80G of the Income-tax Act, 1961 provides for a deduction in respect of donations to certain funds, charitable institutions, etc. subject to, inter alia, the condition that such institutions and trusts are established for 'charitable purpose'. Consequent to the amendment of sub-section (15) of section 2 by the Finance Act 2008 a number of organizations have ceased to be charitable for the purposes of the Income-tax Act. However, such institutions and trusts continued to collect donation during the financial year 2008-2009 for funding relief work for floods in Bihar and other public purposes. The donors made these donations under a bonafide belief that they would be entitled to benefit under section 80G.

29.2 With a view to mitigate hardship to the donors, a one-time relaxation has been given and sub-section (5) of section 80G of the Income-tax Act has been amended so as to provide that where an institution or fund has been approved under clause (vi) of sub-section 5 of section 80G for the previous year beginning on 1st April, 2007 and ending on 31st March, 2008, such institution or fund shall, notwithstanding anything contained in the proviso to clause (15) of section 2, be deemed to have been,- (a) established for charitable purposes for the previous year beginning on 1st April, 2008 and ending on 31st March, 2009; (b) approved under the said clause (vi) for the previous year beginning on 1st April, 2008 and ending on 31st March, 2009.

29.3 Applicability - This amendment has been made applicable with effect from 1st April, 2009 and will accordingly apply in relation to assessment year 2009-10 only.

29.4 Further, as per clause (vi) of sub-section (5) of 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 Rule, 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.

29.5 Therefore, the proviso to clause (vi) of sub-section (5) of section 80G has been omitted to provide that the approval once granted shall continue to be valid in perpetuity.

29.6 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.

29.7 Applicability - This amendment has been made applicable with effect from 1st October, 2009. Accordingly, existing approvals expiring on or after 1st October, 2009 will 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.