



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(290)92-93

DATED: 25/9/2007

To

DAMIEN FOUNDATION INDIA TRUST,  
14 VENUGOPAL AVENUE, SPURTANK ROAD,  
CHETPET, CHENNAI 31.

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 22/3/2007  
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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 23/9/2004. 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 from 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/-  
(SRI RAM SINGH)  
DIRECTOR OF INCOMETAX,  
(EXEMPTIONS),  
CHENNAI.

Copy to

1. The ADIT(E) - IV with records and with reference to his letter 4649-D, DATED 6/9/2007.

//Certified True Copy//

  
(R. SURYANARAYANAN)  
Income Tax Officer (Hqrs.),  
(EXEMPTIONS), Chennai

### 3. AMENDMENT TO DEFINITION OF "CHARITABLE PURPOSE" – SECTION 2(15)

The Finance Act, 2008 had amended the definition of "charitable purpose" in Section 2(15), by adding a proviso that advancement of any other object of general public utility would not be a charitable purpose, if it involved the carrying on of any activity in the nature of trade, commerce or business, or any activity of rendering any service in relation to any trade, commerce or business for a cess, fee or any other consideration. This amendment had the impact of denying exemption to trusts engaged in activities covered by the proviso. The definition of charitable purpose included 4 limbs, viz. relief of the poor, education, medical relief and the advancement of any other object of general public utility, and the proviso applied only to the fourth limb, viz. advancement of any other object of general public utility.

Two more limbs are now being added with retrospective effect from Assessment Year 2009-10 to the definition of "charitable purpose" – "preservation of environment (including watersheds, forest and wildlife) and preservation of monuments or places or objects of artistic or historic interest, thus taking such activities outside the term "advancement of any other object of general public utility". Effectively, charitable trusts engaged in these two objects would also now not be covered by the proviso to Section 2(15), and would not suffer from the possibility of loss of exemption, even if they carried on such activities in the nature of trade, commerce or business or of rendering any service in relation to any trade, commerce or business.

### 4. APPROVAL OF CHARITABLE TRUSTS UNDER SECTION 80G

Since many trusts may have lost their exemption under Section 11 by virtue of the amendment to the definition of "charitable purpose" under Section 2(15), in order that donors do not lose the benefit of the deduction, in the first year of loss of exemption, such trusts as were eligible under Section 80G for the financial year 2007-08 are deemed to have continued to be eligible under Section 80G for the financial year 2008-09.

With effect from 1st October, 2009, the requirement of periodic renewal of approval under Section 80G is being done away with. The explanatory memorandum clarifies that, all trusts

## DIRECT TAXES

whose Section 80G approval expires on or after 1st October, 2009 will not have to apply for approval again, and their approval will continue to be valid in perpetuity, unless withdrawn. Those trusts whose Section 80G approval expires prior to 1st October, 2009 will have to apply once for renewal of their approval.

### 5. EXTENSION OF DUE DATE FOR FILING APPLICATION FOR APPROVAL - SECTION 10(23C)

Trusts, funds or institutions seeking approval or notification for obtaining exemption under clauses (iv), (v), (vi) or (via) of Section 10(23C) were required to make such application for grant of exemption or continuance thereof during the previous year before the commencement of the assessment year, i.e. within the financial year for which exemption was being sought. The time limit for such application has been amended to 30th September of the relevant assessment year, with effect from 1st April 2009, i.e. within 6 months of the end of the financial year for which exemption is sought. Accordingly, for the financial year 2008-09, the time limit is 30th September, 2009.

### 6. TAXATION OF ANONYMOUS DONATIONS - SECTION 115BBC

Anonymous donations received by certain types of charitable trusts / institutions have been taxable at a flat rate of 30% since assessment year 2007-08. Now such donations, only to the extent of the higher of 5% of the total income of such trust and Rs. 1,00,000, would not be treated as anonymous donations.

### 7. ELECTORAL TRUSTS - SECTIONS 2(22AAA), 2(24)(iia), 13B, 80GGB & 80GGC

The concept of "electoral trusts" is now being recognised for tax purposes. An electoral trust has to be approved by the CBDT in accordance with the scheme to be notified by the Central Government. Donations received by an electoral trust would be treated as its income, but would be exempt from tax if the electoral trust distributes 95% of the donations received by it during the year to registered political parties, along with surplus brought forward from the earlier year, and if it functions in accordance with the rules framed by the Central Government. Donations to such electoral trusts would qualify for 100%