



DIRECT TAXES PROFESSIONALS' ASSOCIATION

(Registered under Societies Registration Act, 1961. Registration No. S/60583 of 1988-89)

Ref. No. DTPA/Rep/20-21/21

Date: 22nd April, 2021

To,
Shri P. C. Mody,
Chairman, Central Board of Direct Taxes
Government of India,
North Block,
New Delhi - 110001

Respected Sir,

**Sub: Clarifications needed for compliance of New provisions for Registration/
Re-registration of Charitable Trusts or other Institutions under Income tax Act, 1961**

We most humbly draw your Honour's kind attention to the following in respect of captioned subject :

1. The Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 has inserted, w.e.f. 01.04.2021, certain new provisions for registration/re-registration of various types of charitable trusts and institutions under the Income tax Act, 1961. Such new provisions provide for various time limits within which such organizations shall have to apply for registration/re-registration.
 - a) One such time limit has been provided for residuary cases of different sections vide clause iv) of first proviso to section 10(23C), clause vi) of section 12A(1)(ac) and clause (iv) of first proviso to section 80G(5) of said Act which reads '**at least one month prior to the commencement of the previous year relevant to the assessment year from which the said approval is sought**'. The implication of this prescribed time limit can be explained hereunder.
 - b) Suppose, a charitable trust is created on 1st May 2021 and it wants to get the benefit of approval u/s 12AB from asst. yr. 2022-23 (Previous year 1st May 2021 to 31st March 2022). In the given facts, how the subject trust can apply for approval before 30th April, 2021 i.e. at least one month prior to 1st May, 2021 (the date of commencement of previous year) when it was not even in existence before 1st May, 2021.
 - c) Surely, this cannot be the intention of the lawmakers and therefore, we earnestly request your honour to **kindly issue suitable but urgent clarifications in this regard and make the subject provisions practically workable**. A suggested amendment/relaxation in this regard may be to **allow the subject applications 'within Two months of the commencement of the previous year relevant to assessment year from which the said approval is sought'**.

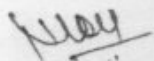
2. Clauses 4c and 4d of new Form No. 10A and Form 10AB ask for registration number or incorporation number of the applicant trust/institution and the authority granting such registration/incorporation. **But in case of charitable trusts specially of the State of West Bengal where there is no Public Charity Act as such, there is no scope of having any registration or incorporation no. of such trust.** Even registration of deed under Registration Act, 1908 is necessary only when trust is settled by transfer of any immovable property valuing more than Rs.100/-. **In West Bengal a Society can be registered under the West Bengal Societies Registration Act, 1961.**

Accordingly, your honour may kindly provide suitable and urgent clarification in the matter of filling up item No. 4c and 4d of new Form 10A and Form 10AB in case of charitable trusts as referred above.

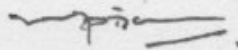
Hoping for urgent consideration by your honour,

Yours faithfully,

For DIRECT TAXES PROFESSIONALS' ASSOCIATION



CA N.K. Goyal
President



Adv Narayan Jain
Chairman
Representation Committee

C C To:

- 1 **Mrs. Nirmala Sitharaman,**
Hon'ble Finance Minister,
Ministry of Finance,
Government of India,
North Block
New Delhi-110001
- 2 **Shri P. C. Mody,**
Chairman, Central Board of Direct Taxes
Government of India,
North Block
New Delhi-110001