

IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ‘ B ‘ Bench, Hyderabad
(Through Video Conferencing)
Before Smt. P. Madhavi Devi, Judicial Member
AND
Shri Laxmi Prasad Sahu, Accountant Member

ITA No.787/Hyd/2020		
Assessment Year: 2020-21		
Andhra Notre Dame Sisters Society, Warangal PAN:AAHTA7714N (Appellant)	Vs.	Commissioner of Income Tax (Exemptions) Hyderabad (Respondent)
Assessee by:	Sri A.V. Raghuram	
Revenue by:	Sri Y.V.S.T. Sai, DR	
Date of hearing:	12/08/2021	
Date of pronouncement:	14/09/2021	

ORDER

Per Smt. P. Madhavi Devi, J.M.

This is assessee's appeal for the A.Y 2020-21 against the order of the CIT (E)- Hyderabad, denying the registration u/s 12AA of the Act, vide orders dated 10.09.2020.

2. Brief facts of the case are that the assessee society filed an e-application in Form No.10A seeking registration u/s 12A of the I.T. Act on 14.02.2020. The CIT (E) while considering the assessee's application observed that the assessee has applied for registration u/s 12A of the Act as a charitable trust but the objects of the assessee contain both religious and charitable objects. Therefore, he held that the scheme of the Act does not permit exemption to the Trust which is having mixed objects. Thus, he held that the assessee is not fit for grant of registration u/s 12AA of the Act. Against this order of the CIT (E), the

assessee is in appeal before the Tribunal by raising the following grounds of appeal:

“1. On the facts and in the circumstances of the case, the order of the learned Commissioner of Income Tax (Exemptions), Hyderabad is perverse and unsustainable in law.

2. The finding of the Commissioner of Income Tax (Exemptions) that the Appellant has mixed objects and hence not eligible for registration is perverse and unsustainable both on facts and in law. The Commissioner (Exemptions) failed to appreciate that all the objects of the Appellant are directed towards education and there is no object which is religious, and was pursued by the Appellant.

3. Without prejudice, the Commissioner (Exemptions) erred in not appreciating that Appellant is entitled for registration even if it were to contain mixed objects, so far separate books are maintained for the respective objects.

For these and other grounds that may be urged at the time of hearing, it is prayed that the appeal may be allowed”.

3. The learned Counsel for the assessee submitted that the assessee has been carrying on only charitable activities and there was no religious activities carried on by the assessee. In support of his contention that even where there are mixed objects, the assessee is eligible for exemption for charitable purposes if the assessee maintains separate books of account, he placed reliance upon the decision of the Hon'ble Supreme Court in the case of e case of CIT vs. Dawoodi Bohra Jamat (Civil Appeal) Nos. 2492 to 2571/2014, dated 20.02.2014. He, therefore, prayed for reconsideration of the issue in accordance with such decision.

4. The learned DR, on the other hand, relied upon the orders of the authorities below and also the recitals in the byelaws of the Society to demonstrate that the assessee society is set up

for religious activities as well. Therefore, he submitted that the CIT(E) has rightly denied the exemption to the assessee.

5. Having regard to the rival contentions and the material on record, we find that the Hon'ble Supreme Court in the case of case of CIT vs. Dawoodi Bohra Jamat (Civil Appeal) Nos. 2492 to 2571/2014, dated 20.02.2014 has held that even if the objectives of an assessee trust are mixed i.e. both religious and chartiable, the assessee is eligible for registration u/s 12AA of the Act in respect of the charitable activities if the assessee is able to demonstrate that it is maintaining separate books of account for both the activities. Therefore, we deem it fit and proper to remand the issue to the file of the CIT (E) to consider the issue afresh in accordance with the decision of the Hon'ble Supreme Court (cited Supra).

6. In the result, assessee's appeal is treated as allowed for statistical purposes.

Order pronounced in the Open Court on 14th September, 2021.

Sd/- (LAXMI PRASAD SAHU) ACCOUNTANT MEMBER	Sd/- (P. MADHAVI DEVI) JUDICIAL MEMBER
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Hyderabad, dated 14th September, 2021.
Vinodan/sps

Copy to:

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1	M/s. Andhra Notre Dame Sisters Society, D.No.3-195/1-2 Theegarajupally, Sagem Manal, Theegarajupalle, Warangal 506310
2	CIT(Exemptions), 2 nd Floor, Aayakar Bhavan, Basheerbagh, Hyderabad
3	Add.CIT (E)- Hyderabad
4	Income Tax Officer (E)-4, Hyderabad
5	DR, ITAT Hyderabad Benches
6	Guard File

By Order