



**IN THE INCOME TAX APPELLATE TRIBUNAL,
CUTTACK BENCH, CUTTACK**

**BEFORE S/SHRI GEORGE MATHAN, JUDICIAL MEMBER
AND ARUN KHODPIA, ACCOUNTANT MEMBER**

ITA Nos.453 & 454 /CTK/2019

Xavier Council of Innovations, Plot No.12(A), Nijigarh, Kurki, Harirajpur, Pipili, Dist: Puri	Vs.	Pr. CIT (Exemptions), Hyderabad
PAN/GIR No.AAACX 2097 H		
(Appellant)	..	(Respondent)

Assessee by : Shri P.R.Mohanty, AR
Revenue by : Shri M.k.Gautam, CIT (DR)

Date of Hearing : 01 /6/ 2022
Date of Pronouncement : 01 /6/2022

ORDER

Per Bench

These are appeals filed by the assessee against the separate orders of the CIT(E), Hyderabad dated 31.10.2019.

2. ITA No.453/CTK/2019 is against denial of registration u/s.12A of the Act and ITA No.454/CTK/2019 is against the denial of recognition u/s.80G of the Act.

3. Shri P.R.Mohanty, Id AR appeared for the assessee and Shri M.K.Gautam, Id CIT DR appeared for the revenue.

4. It was submitted by Id AR that the Id CIT(Exemptions), Hyderabad has denied the assessee the registration u/s.12A of the Act and also the recognition u/s.80G of the Act on the ground that books and account and bills and vouchers had not been produced before him for verification. It was submission that Id AR had appeared before the Id CIT (E) and had produced all the evidences as called for including the audited accounts. It was the submission that only one effective hearing was granted to the assessee at Bhubaneswar on 18.10.2019. It was the submission that admittedly, the books of account alongwith bills and vouchers had not been produced before the Id CIT(E) but all other evidences as required for had been produced. It was the submission that under Rule 17A, production of physical books of account and the bills and vouchers are not required for. It was his prayer that the assessee may be granted registration u/s.12A of the Act.

5. It was further submission that the assessee has been denied the recognition u/s.80G again on the ground that books of account and bills and vouchers had not been produced. Audited accounts had been produced before the Id CIT (E) and there is no requirement of producing the physical books of accounts and bills and vouchers u./s.80G of the Act. It was submission that the assessee may be granted recognition u/s.80G of the Act.

6. In reply, Id CIT DR drew our attention to sub-clause(e) of sub-rule (1) of Rule 17A to submit that the assessee had to produce self certified copies of the annual accounts. It was submission that as the assessee has not produced physical books of accounts and bills and vouchers, the Id CIT (E) had rightly denied the registration u/s.12A of the Act and had consequently rightly denied recognition u/s.80G of the Act.

7. We have considered the rival submissions. A perusal of the evidences produced before the Id CIT(A) shows that at pages 23 to 44, the assessee has produced the statutory audit report. The assessee has come into existence by Registration under the Companies Act and the assessee has been registered under section 25 of the Companies Act and certificate of incorporation under Companies Act, 2013 is dated 26.8.2016. Thus, for the period prior to the application for registration, the assessee has produced the required statutory audit report as required under sub-clause(e) of sub-rule(1) of Rule 17A. There is absolutely no requirement to produce the physical books of account and bills & vouchers under Rule 17A. This being so, as all the details called for by the Id CIT(E) has been produced before him and as the books of account and bills and vouchers as called for by the Id CIT(E) is beyond the purview of the requirement for registration u/s.12A r.w Rule 17A, we are of the view that the assessee has complied with all the requirements for registration u/s.12A of the Act. Consequently, the order of the Id CIT (E) denying the assessee

registration u/s.12A is set aside and the Id CIT(E) is hereby directed to register the assessee as charitable institution u/s.12A of the Act in the Register of the Revenue.

8. The registration u/s.12A granted to the assessee does not preclude the AO from verification of the accounts and compliance thereof under the provisions of sections 11,12 & 13 of the Income tax Act, 1961 in the course of assessment. In these circumstances, the appeal of the assessee in ITA No.453/CTK/2019 stands allowed.

9. Coming to the issue of recognition u/s.80G of the Act, as we have already granted the assessee registration u/s.12A of the Act and as the requirement of producing physical books and accounts and bills and vouchers are not a requirement for granting recognition u/s.80G as also on the ground that the statutory audit report has been produced before the Id CIT(E), the order of the Id CIT(E) denying the recognition u/s.80G is set aside and the Id CIT(E) is hereby directed to grant the assessee recognition u/s.80G under the Income Tax Act, 1961.

10. The grant of recognition u/s.80G does not preclude the AO from doing the necessary verification in respect of compliance of the provisions of section 80G in the course of assessment. Consequently, ITA No.454/CTK/2019 stands allowed.

11. In the result, both the appeals of the assessee are allowed.

Order dictated and pronounced in the open court on 1 /6/2022.

Sd/-
(Arun Khodpia)
ACCOUNTANT MEMBER

sd/-
(George Mathan)
JUDICIAL MEMBER

Cuttack; Dated 1 /06/2022
B.K.Parida, SPS (OS)

Copy of the Order forwarded to :

1. The Appellant : Xavier Council of Innovations,
Plot No.12(A), Nijigarh, Kurki, Harirajpur, Pipili,
Dist: Puri
2. The Respondent. Pr. CIT (Exemptions),
Hyderabad
3. The CIT(A)-, Bhubaneswar
4. DR, ITAT, Cuttack
5. Guard file.
//True Copy//

By order

Sr.Pvt.secretary
ITAT, Cuttack