

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH:COCHIN**

**BEFORE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER
AND
SHRI PRAKASH CHAND YADAV, JUDICIAL MEMBER**

ITA No.45/Coch/2024
AssessmentYear:2023-24

SamudayaDeepikaYogamChavakkad Manathala Chavakkad Thrissur 680 506 PAN NO : AARTS8973K	Vs.	CIT (Exemption) Kochi
APPELLANT		RESPONDENT

Appellant by	:	Sri.Adhithya Unnikrishnan, Advocate
Respondent by	:	Smt.Leena Lal, Sr.AR

Date of Hearing	:	20.11.2024
Date of Pronouncement	:	29.11.2024

O R D E R

PERPRAKASH CHAND YADAV, JUDICIAL MEMBER:

Present appeal of the assessee is arising from the order of CIT(Exemption) dated 30.11.2023 and relates to denial of registration u/s 12AA of the Income Tax Act, 1961 (in short "The Act").

2. Facts giving rise to the filing of present appeal are that the assessee is a society registered under Societies Registration Act and carrying on Charitable activities since 1927. The assessee, in order to claim registration of section 12A of the Act has filed an application u/s 12AB of the Act on 8.2.2023. The provisional registration was also granted to the assessee on 28.2.2023. Thereafter, the assessee applied for permanent registration u/s 12A of the Act. The same was disposed of by the CIT(Exemptions) on 30.11.2023. The ld. CIT (Exemption) has observed as under:

“The applicant is maintaining accounts with Chavakkad Service Co-operative Bank Ltd. having account numbers 3986 and 101100020003986. As such, the applicant is investing money in violation of section 11(5) of the Act. Based on the above, discussion, the applicant is not eligible for exemption u/s 11 of the Act for the following reasons:

- 1. Applicant is not maintaining regular books of accounts and therefore its financial statements submitted are not true and reliable.*
- 2. Applicant has violated provisions of section 11(5) of the Act by investing money in Service Co operative Bank accounts.*

Hence, the applicant is not eligible for 12A registration and therefore, the application in Form 10AB is rejected.”

2.1 Aggrieved with the order of ld. CIT(Exemptions) the assessee has come up in appeal before us and argued that the ld. CIT (Exemption) has erred in denying the deduction u/s 12A of the Act by ignoring the objects of the Trust.

3. The ld. D.R. relied upon the order of authorities below.

4. We have heard the rival submissions and perused the materials available on record. The ld. CIT(Exemption) has completely overlooked the objects and activities of the assessee society and has stepped into the shoes of AO, which is not correct. It is settled position of law that at the time of grant of registration u/s 12A of the Act, the CIT has to see only the nature of objects and genuineness of activities of an assessee. Therefore, we restore this matter to the file of CIT (Exemption) for examining afresh in accordance with law. Needless to say that CIT(Exemption) will provide sufficient opportunity to the assessee before taking any view.

5. In the result, appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 29th Nov, 2024

Sd/-
(Inturi Rama Rao)
Accountant Member

Sd/-
(Prakash Chand Yadav)
Judicial Member

Bangalore,
Dated 29th Nov, 2024.
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The DR, ITAT, Bangalore.
5. Guard file

By order

Asst. Registrar,
ITAT, Bangalore.