

Finance (No. 2) Act, 1996

Section 6 - Insertion of New Section 12aa

After section 12A of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 1997, namely :-

"12AA. Procedure for registration. - (1) The Chief Commissioner or Commissioner, on receipt of an application for registration of a trust or institution made under clause (a) of section 12A, shall -

(a) call for such documents or information from the trust or institution as he think necessary in order to satisfy himself about the genuineness of activities of the trust or institution and may also make such inquiries as he may deem necessary in this behalf; and

(b) after satisfying himself about the objects of the trust or institution and the genuineness of its activities, he -

(i) shall pass an order in writing registering the trust or institution;

(ii) shall, if he is not so satisfied, pass an order in writing refusing to register the trust or institution,

and a copy of such order shall be sent to the applicant :

Provided that no order under sub-clause (ii) shall be passed unless the applicant has been given a reasonable opportunity of being heard.

(2) Every order granting or refusing registration under clause (b) of sub-section (1) shall be passed before the expiry of six months from the end of the month in which the application was received under clause (a) of section 12A."
