

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“B” BENCH: BANGALORE**

BEFORE SHRI PRASHANT MAHARISHI, VICE PRESIDENT  
AND  
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER

ITA No.949/Bang/2025
Assessment year: N.A.

Shri Ram Global, Flat No. S-703, Mantri Web City, Hennur Main Road, Kothanur, Bangalore – 560 077. <b>PAN: ABHTS 0023P</b>	Vs.	The Commissioner of Income Tax (Exemptions), Bangaluru.
APPELLANT		RESPONDENT

Appellant by	:	Shri Deepak Chopra, CA
Respondent by	:	Shri Murali Mohan, CIT(DR)(ITAT), Bengaluru.

Date of hearing	:	07.07.2025
Date of Pronouncement	:	18.07.2025

**ORDER**

*Per Prashant Maharishi, Vice President*

1. This appeal is filed by Shri Ram Global (the assessee/appellant) against the order passed by the CIT(Exemptions) [ld. CIT] dated 25.3.2025 for rejection of registration u/s. 12AB of the Income-tax Act, 1961 [the Act].
2. The assessee is aggrieved that the ld. CIT has rejected the application made by the assessee in Form 10AB dated 26.9.2024 for registration u/s. 12AB of the Act without looking into the facts before her.

3. The brief facts show that assessee filed application for registration u/s. 12AB of the Act. The Id. CIT issued a notice to the assessee asking for certain details. The facts show that on 19.6.2023 one, Shri Mukesh Kumar Singh settled a trust in the name of Shri Ram Global at Bangalore. The assessee filed Form 10AB wherein it was stated that objects of the assessee is relief of the poor, education, medical relief. In the details of assets & liabilities, assessee submitted that it has asset base of Rs.1,99,24,949, but for the Financial Year ending on 31-03-2024, the other income of the assessee which is the only source of income was Rs.1,42,879. The assessee also enclosed the annual accounts of the trust as at 31.3.2024 wherein as per Income & Expenditure A/c assessee received voluntary contribution of Rs.42,000 and FD interest of Rs.1,00,879. Assessee was granted provisional registration vide letter dated 5.9.2023.
4. The Id. ITO(E), Ward 3, Bengaluru in connection with above application issued a letter dated 17.12.2024 raising 20 questions which was replied by the assessee on 10.1.2025. The assessee submitted the details as required along with provisional financial statement for FY 2024-25. On the same date, another reply was also furnished by the assessee. After examination of the details, the Id. CIT(E) 25.3.2025 rejected the application of the assessee and cancelled the approval earlier granted provisionally. The Id. CIT extracted the Income & Expenditure A/c of the assessee for the FY 2023-24 and noted that assessee has received voluntary contribution of Rs.42,000 and as FD interest of Rs.1,00,879, out of which it has utilised Rs.70,000 towards

administrative charges and Rs.5,904 towards Bank charges. Thus, there is excess of income over expense of Rs.66,975. She reached at a conclusion that assessee has not received sufficient donation and has not made any expenditure towards the object, therefore the assessee has not commenced its activities towards the objects of the trust and therefore rejected the application.

5. The assessee aggrieved with that, preferred appeal before and filed a paperbook containing 199 pages. The ld. counsel, Mr. Deepak Chopra, CA and the ld. CIT(DR) Shri Murali Mohan were heard.
6. On careful perusal of the details submitted by the assessee before the ld. CIT, it is apparent that the response filed by the assessee on 10.1.2025 wherein the provisional balance sheet for FY 2024-25 was also furnished, according to which the assessee has a building work-in-progress of Rs.15.16 crores, lease deposit of Rs.75 lakhs, obtained Bank OD of Rs.10.01 crore and unsecured loan of Rs.6 crores. According to this provisional balance sheet, it cannot be said that on the date of rejection, the assessee trust has not commenced its activities. The facts clearly show that assessee has obtained land on lease for which lease deposit is also paid and has also obtained Bank OD of Rs.10 crores. The ld. CIT did not consider the above aspect. She further did not consider the bank statement of assessee with ICICI Bank, Kotak Mahindra Bank and term loan statement from Kotak Mahindra Bank, which clearly show that there are substantial activities carried on by the assessee. To support its contention, the assessee

furnished a lease deed dated 26.6.2023 and also submitted copies of bills for construction of school along with purchase bills of building material. The Id. CIT despite all these facts and merely considering the Income & Expenditure for FY 2023-24 held that assessee has not received sufficient donation and has not made any expenditure towards the objects of the trust. When the assessee is a trust which has an object for education, constructs a school and makes substantial investment, in fact the activities of the trust has already commenced and these evidences could not have been ignored. Therefore, we are of the view that rejection of the application of the assessee for registration u/s. 12AB of the Act holding that assessee has not commenced its activities is not proper. Accordingly we quash the order passed by the Id. CIT(E) dated 25.3.2025. As the Id. CIT(E) has not examined the details submitted on 10.1.2025, we restore the appeal back to her file with a direction to consider the reply filed by the assessee before her and thereafter examine the application of the assessee and decide it in accordance with law.

7. In the result, the appeal filed by the assessee is allowed as indicated above.

Pronounced in the open court on this 18<sup>th</sup> day of July, 2025.

Sd/-

( SUNDARARAJAN K.)  
JUDICIAL MEMBER

Bangalore,  
Dated, the 18<sup>th</sup> July 2025.

*/Desai S Murthy /*

Sd/-

(PRASHANT MAHARISHI)  
VICE PRESIDENT

Copy to:

1. Appellant
2. Respondent
3. Pr. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar  
ITAT, Bangalore.