

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCHES : B : NEW DELHI

BEFORE SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER  
AND  
SHRI ANUBHAV SHARMA, JUDICIAL MEMBER

ITA No.359/Del/2025  
Assessment Year : 2024-25

RSP Learning Foundation,  
Building No.55,  
Panchkuian Road,  
Connaught Place,  
New Delhi – 110 001.

Vs. CIT Exemption,  
Delhi.

PAN: AAJCR7938N

(Appellant)

(Respondent)

Assessee by	: Shri Ved Mittal, CA
Revenue by	: Ms Pooja Swaroop, CIT-DR
Date of Hearing	: 11.11.2025
Date of Pronouncement	: 19.11.2025

ORDER

PER ANUBHAV SHARMA, JM:

This is an appeal preferred by the Assessee against the order dated 27.11.2024 of the Commissioner of Income-tax (Exemption), Delhi [hereinafter referred as Ld. CIT(E)] u/s 12AB(1)(b)(ii)(B) of the Income Tax Act, 1961 (hereinafter referred as 'the Act').

2. On hearing both the sides, we find that the assessee is a non-profit entity registered u/s 8 of the Companies Act, 2013 and incorporated on 04.09.2019. It has claimed that the foundation operates exclusively for charitable purposes with primary objectives in the field of education and relief to the poor. It was provisionally registered u/s 12A of the Act on 27.05.2021 and, thereafter, filed Form 10AB on 10.05.2024 for regular registration u/s 12A(1)(ac)(iii) of the Act. The Id. CIT(E) rejected the application observing that the foundation has entered into a structured engagement with the Andhra Pradesh Mineral Development Corporation (APMDC) for deploying teaching staff to a Government school which the Department has interpreted as commercial activity due to definite contractual terms and fixed monthly financial aid. The Id. DR has supported this by submitting that the assessee to claim to be a foundation should have some corpus and the monthly aid cannot be considered to be giving rise to a fund to be used for charitable activities.

3. Giving thoughtful consideration to the material on record, we find that the appellant is receiving funds of Rs.1,65,000/- per month from APMDC, which is a Public Sector Undertaking, under the CSR fund and the same is being used for the educational upliftment and skill development of the local villagers and children of the employees near the mining area.

4. Now, only because the assessee is receiving the CSR funds for a determined scope of work does not lead to a conclusion that the activity is of

commercial nature. The person receiving CSR funds has obligation to use the same as per the directions of the donor and if there is any contractual obligation in that regard arising out of a definite agreement, then, that is only to ensure strict compliance from both the sides in terms of a promise from the donor of assured amount and a promise on the part of the society or foundation to use the funds exclusively for the purpose. The obligation can be enforced on the donor if out of any such contractual understanding the society or the foundation has taken an obligation further.

5. We are of the considered view that the periodicity of contribution is irrelevant aspect but the objectives for which contribution is received and applied is only relevant consideration. In the case before us, the assessee is arranging for teachers of science subjects and English in a government school, so that the students of the locality and also of the labourers working with APMDC get best education over and above what is being provided in the government school. Apart from that, they are providing resources for digital literacy and for overall development of the children. Therefore, we are of the considered view that the Id.CIT(E) has erred in holding the activities of the foundation to be commercial in nature. The grounds are allowed. The impugned order is quashed. The Id.CIT(E) is directed to grant the registration in accordance with the law.

Order pronounced in the open court on 19.11.2025.

Sd/-  
(S. RIFAUR RAHMAN)  
ACCOUNTANT MEMBER

Sd/-  
(ANUBHAV SHARMA)  
JUDICIAL MEMBER

Dated: November, 2025.

dk

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, New Delhi