

**IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH : BANGALORE**

**BEFORE SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

ITA No. 1522/Bang/2025
Assessment Year : 2024-25

M/s. Act of Random Kindness, LGFE Rich & Famous Apartments, 2 nd Cross, 6 th Main, Indiranagar 2 nd Stage, Bangalore – 560 038. PAN: AAJTA2084M	Vs.	The Commissioner of Income Tax (Exemptions), Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	Ms. Mamatha Esteves, AR
Revenue by	:	Shri Shivanand H Kalakeri, CIT-DR

Date of Hearing	:	11-11-2025
Date of Pronouncement	:	27-01-2026

ORDER

PER SOUNDARARAJAN K., JUDICIAL MEMBER

This is an appeal filed by the assessee challenging the rejection order of the Ld.CIT(E) dated 26/03/2025 and raised the following grounds:

“The order of the learned Assessing officer is opposed to law, facts, and circumstance of the case.

The order is passed against the principle of natural justice and thus liable to be squashed.

The learned AO has erred in cancelling the application for the renewal of exemption under section 12 AA.

The learned AO has not considered the submissions made during the course of assessment.

The learned AO has erred in forming his opinion that the school is no longer functional, which is not true and correct.

Your appellant craves leave to add, alter, or take up any other ground before your good self during the course of hearing.”

2. At the time of hearing, the Ld.AR submitted that the assessee is a charitable trust for developing and implementing educational development activities across the nation and therefore the assessee trust had started the activities of establishing school and learning centres for the underprivileged. The Ld.AR further submitted that the Ld.CIT(E) had observed that the assessee had received donations and tuition fees and incurred major expenses towards salary payments and therefore no supporting documentary evidences to support its objects were filed which is not correct. The Ld.AR further submitted that the assessee had discontinued the school activities and concentrated on the learning centre for the underprivileged but the Ld.CIT(E) had presumed that the assessee is running a school which is also not functional and therefore wrongly concluded that the activities of the assessee are not charitable in nature. At the time of hearing, the Ld.AR also filed copy of the trust deed in support of his contention that various educational activities stated in the objects are all to the benefits of the underprivileged and therefore the assessee is doing the charitable activities eligible for registration u/s. 12A of the Act.

3. The Ld.DR relied on the order of the Ld.CIT(E) and prayed to dismiss the appeal.

4. We have heard the arguments of both sides and perused the materials available on record.

5. We have perused the trust deed copy filed by the assessee in which the aims and objectives were mentioned which all are related to the educational activities to the underprivileged and also for the elderly people irrespective of their caste, creed, colour, religion etc. We have also perused the impugned order, in which the Ld.CIT(E) had observed that the assessee

had made major expenses towards the salary payments and not produced any documentary evidences to support its claim. Even though the assessee explained the fact that they are not running the school as on date, but only doing the other activities of education including the learning centre for the underprivileged, the Ld.CIT(E) had come to the conclusion that the activities carried out by the assessee are not charitable in nature.

6. On going through the trust deed and the objects mentioned in it and also the financial statements filed by the assessee, we do not think that the assessee had not done any charitable activities. Further, the Ld.CIT(E) after getting the various documents from the assessee had come to a conclusion that the assessee had not done any charitable activities without calling for any explanations from the assessee. As per section 12AB(1)(b)(ii)(B) of the Act, it is mandatory that the Ld.CIT(E) can pass an order in writing rejecting an application filed by the assessee after affording a reasonable opportunity of being heard. On going through the impugned order, we find that no such opportunity was granted to the assessee to explain the apprehension of the Ld.CIT(E) and therefore we deem it fit to set aside the impugned order and remit this issue to the file of the Ld.CIT(E) for denovo consideration. We also permit the assessee to produce the documents in support of their claim that they are doing the charitable activities before the Ld.CIT(E) at the time of enquiry.

7. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the open court on 27th January, 2026.

Sd/-
(LAXMI PRASAD SAHU)
Accountant Member

Sd/-
(SOUNDARARAJAN K.)
Judicial Member

Bangalore,
Dated, the 27th January, 2026.
/MS /

Copy to:

1. Appellant
3. CIT
5. Guard file

2. Respondent
4. DR, ITAT, Bangalore
6. CIT(A)

By order

Assistant Registrar,
ITAT, Bangalore