



IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCHES "SMC", PUNE

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA Nos.2969 & 2972/PUN/2025

Assessment Years : 2018-19 and 2019-20

The Government ITI Basmathnagar IMC Society, Opp to Navoday Vidyalay, Basmat Parbhani Road, Basmathnagar, Dist. Hingoli 431512 Maharashtra PAN : AABTG2544A	Vs.	Income Tax Officer, Exemption Ward, Range 179, Nanded
Appellant		Respondent

Assessee by	:	Shri Abhay Avchat
Revenue by	:	Shri Shashank Ojha (virtual)
Date of hearing	:	14.01.2026
Date of pronouncement	:	23.01.2026

आदेश / ORDER

The captioned appeals at the instance of assessee pertaining to the Assessment Years 2018-19 and 2019-20 are directed against the separate orders dated 27.09.2025 of National Faceless Appeal Centre, Delhi (NFAC) passed u/s.250 of the Income-tax Act, 1961 (hereinafter also called 'the Act') arising out of the respective Assessment Orders dated 22.03.2023 & 29.02.2024 passed u/s.147 r.w.s.144 r.w.s.144B of the Act.

2. Identical grounds have been taken by the assessee in both the assessment years, therefore, these appeals were heard together and are being disposed of by this common order for the sake of convenience.



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3. Following common grounds have been raised by the assessee for A.Yrs. 2018-19 and 2019-20 (except the figures):

“Each ground is taken without prejudice to each other.

On the facts and in the circumstances of the case and in law and

1. *The learned AO has erred in assessing income of assessee at a higher amount of Rs.30,21,548/- and the learned CIT A erred in confirming the same.*

2. *The learned AO has erred in adding the entire interest income earned by assessee of Rs.30,21,548/- u/s 69A and treating it as undisclosed income and charging it to tax at MMR of 60% u/s 115BBE and the learned CIT A erred in confirming the same.*

3. *The interest income earned by assessee, which is subject matter of addition, represents interest earned on bank deposits made / kept out of the stat government grants: The AO erred in treating it as unexplained income despite the fact that investment in bank deposits were not doubted and the Id. CIT A erred in confirming the sane*

4. *The learned AO has erred in not considering and allowing exemption under section 10(23C)(iiiab) while assessing total income since the assessee trust is wholly financed through state government grants and the Id. CIT erred in confirming the addition.*

5. *The reassessment proceedings and the order are void and bad in law since the Jurisdictional Assessing Officer is not empowered to issue notice under Section 148 under the newly introduced regime of faceless assessment and it should have been issued by the National Faceless Assessment Centre/FAO*

6. *The Id. AO erred in invoking provisions of 69A in assessee's case since the income and corresponding investments are recorded in the books of account of assessee and the source is also explainable*

7. *The learned CIT Appeals erred in dismissing assessee's appeal by rejecting delay condonation request and thus deciding the appeal without going into merits of the case. The assessee requests your honour to condone the delay in filing of appeal before the CIT A and afford us an opportunity of being heard.*

8. *The assessee hereby requests for allowing any other relief as available under the law.*

9. *The assessee craves leave to add, alter, amend, modify, delete all or any of the grounds of appeal.”*



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4. At the outset, ld. Counsel for the assessee submitted that the assessee is a society controlled by the State Government of Maharashtra and carrying out Industrial Training and the income of the assessee is eligible for exemption u/s.10(23C)(iiiab) of the Act. However, due to unavoidable circumstances the return of income was not filed and even the appeal against the additions made by the Assessing officer before ld.CIT(A) was barred by limitation. He submitted that ld.CIT(A) has not condoned the delay for both the assessment years under consideration. He therefore prayed that the issues on merit may please be restored to the file of ld. Jurisdictional Assessing Officer for necessary adjudication of the eligibility of the assessee for claiming exemption u/s.10(23C)(iiiab) of the Act. On the other hand, ld. Departmental Representative did not oppose to the request made by ld. Counsel for the assessee.

5. I have heard the rival contentions and perused the record placed before me. Assessee is in appeal for A.Yrs. 2018-19 and 2019-20. Assessment orders have been framed u/s.147 r.w.s.144 r.w.s.144B of the Act and the assessee has neither filed regular return of income nor filed any submissions in response to notice u/s.148 of the Act. Ld. Assessing Officer has concluded the assessment proceedings by making addition u/s.69A of the Act at ₹30,21,548 and ₹15,96,038 for A.Yrs.2018-19 and 2019-20 respectively. Ld. Counsel for the assessee has claimed that no major activity was carried out during the impugned years and the alleged sum is income from interest on the invested funds received from the State Government for running the Industrial Training Institute. It is also claimed that assessee is eligible for exemption u/s.10(23C)(iiiab) of the Act. I also note that ld.CIT(A) has not condoned the delay in filing of



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the appeals inspite of valid reasons stated in Form No.35. Taking justice oriented approach and in light of judgments of Hon'ble Apex Court in the case of *Collector, Land Acquisition, Anantnag & Anr. Vs. Mst. Katiji & Ors. reported in (1987) 2 SCC 107* and in the case of *Inder Singh Vs. State of Madhya Pradesh judgment dated 21.03.2025 (2025 INSC 382)* I condone the delay in filing of the appeals before Id.CIT(A).

6. Considering the facts and circumstances in the instant appeals under consideration, I deem it appropriate to restore the issue raised on merits to the file of Id. Jurisdictional Assessing Officer for afresh adjudication. Needless to mention that Id.JAO in the set aside proceedings shall afford reasonable opportunity to the assessee. Ld. JAO is directed to verify the assessee's claim of exemption u/s.10(23C)(iiiab) of the Act and decide in accordance with law. Assessee is directed to provide updated email id and contact detail to the department for receiving the notices from ITBA portal. Assessee is also directed to remain vigilant and not to take adjournment unless otherwise required for reasonable cause. Impugned orders are set aside and the effective grounds raised by the assessee for both the assessment years are allowed for statistical purposes.

7. In the result, both the appeals of the assessee are allowed for statistical purposes.

Order pronounced on this 23rd day of January, 2026.

Sd/-

(MANISH BORAD)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 23rd January, 2026.

Satish



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आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "SMC" बेंच,
पुणे / DR, ITAT, "SMC" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Assistant Registrar
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune