

IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCH "A", PUNE

BEFORE SHRI R. K. PANDA, VICE PRESIDENT
AND
SHRI VINAY BHAMORE, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.1370/PUN/2025
निर्धारण वर्ष / Assessment Year : 2017-18

DCIT, Exemptions Circle, Aurangabad.	Vs.	Gunai Shikshan Prasarak Mandal, Rajiv Gandhi Polytechnic Complex, Jalkot Road, Bodhan Nagar, Udgir, Latur- 413517. PAN : AABTG3885E
Appellant		Respondent

आयकर अपील सं. / ITA No.1421/PUN/2025
निर्धारण वर्ष / Assessment Year : 2017-18

Gunai Shikshan Prasarak Mandal, Rajiv Gandhi Polytechnic Complex, Jalkot Road, Bodhan Nagar, Udgir, Latur- 413517. PAN : AABTG3885E	Vs.	DCIT, Exemptions Circle, Aurangabad.
Appellant		Respondent

Revenue by : Shri Basavaraj Hiremath
Assessee by : Shri Tanaji Chavan

Date of hearing : 07.01.2026
Date of pronouncement : 29.01.2026

आदेश / ORDER

PER VINAY BHAMORE, JM:

These cross appeals filed by the Revenue as well as by the assessee are directed against the order dated 11.03.2025 passed by Ld. CIT(A)/NFAC for the assessment year 2017-18 respectively.

2. Facts of the case, in brief, are that the assessee is a charitable trust with main object of running educational institution and has filed the return of income for the year under consideration on 31.03.2018 declaring income as Nil. Subsequently, the case of the assessee was selected for scrutiny and accordingly, statutory notices issued to the assessee in order to verify the anonymous donations received by the assessee and also to verify the source of cash deposits made during the demonetization period amounting to Rs.80,18,423/-. The Assessing Officer has completed the assessment u/s 143(3) of the Act vide order dated 24.12.2019 by disallowing the above said anonymous donations amounting to Rs.2,12,84,180/- u/s 115BBC of the Act and also made an addition of the above said cash deposits amounting to Rs.80,18,423/- as unexplained cash credits u/s 68 of the Act to the total income of the appellant.

3. Being aggrieved with the above assessment order, the assessee preferred an appeal before Ld. CIT(A)/NFAC. After considering the reply of the assessee, Ld. CIT(A)/NFAC partly allowed the appeal of the assessee by observing as under :-

“6.1 The appellant has submitted that, it is a charitable trust with main object of running an educational institution and has filed the return of income for the year under consideration on 31.03.2018 by

declaring nil. Subsequently, the appellant's case was selected for scrutiny through CASS. During the year under consideration, the appellant has received donations of Rs.2,24,04,400/-, and has deposited cash amounting to Rs.80,18,423/- during demonetization period. Since the appellant has not submitted evidence in support of its explanation, the AO had treated the above said donations as anonymous donations amounting to Rs.2,12,84,180/- after giving relief of 5% of the total anonymous donation and added to the total income of the appellant u/s 115BBC of the Act. Further, since the appellant has failed to explain the source of above said cash deposits during the demonetization period, the AO has made an addition amounting to Rs.80,18,423/- u/s 68 of the Act as unexplained cash credit to the total income of the appellant.

6.2 Ground No.1 – Addition u/s 115BBC of the Act - Rs.2,12,84,180/-

6.2.1 It is observed from the assessment order, during the relevant financial year, the appellant has received donations in cash amounting to Rs.2,24,04,400/-. During the assessment proceedings, in response to the statutory notice, the appellant has submitted the list of donors, however, the identity and addresses of the said list of donors were not established. Hence, the AO has considered the above said donations as anonymous donations and the same was added to the total income of the appellant u/s 115BBC of the Act.

6.2.2 During the appellate proceedings, the appellant has once again reiterated that, it had maintained the serial numbered donation book which contains the donors list reflecting name and address. In support of the same, the appellant has submitted the copy of sample pages of the above sad register. Further, the appellant has submitted the copies of receipt of donation. The above said submissions were also made before the AO during the course of assessment proceedings.

6.2.3 The submissions made by the appellant has been considered and it is observed that the appellant has submitted the copy of the pages of manual register which contains the name of the donors along with addresses. However, the appellant does not maintain proper record such as father name or husband name of the donors to establish the clear identity of the donors. Further there is no complete address of the donors in the said register. It is further observed that, the amount of donations were ranging from Rs.3000 to Rs.5000 and were written stereotypic manner on a particular day. The address of the donors are not complete and no details such as PAN and the nature of donation. Hence, it is inferred that the said details of donors submitted by the appellant before the AO and during the appellate proceedings has not established the identity of the donors and genuineness of the said transaction within purview of the decision of Hon'ble Apex Court in the case of CIT vs Durga Prasad More (82 ITR

540) and *SumatiDayal vs CIT (241 ITR 801)*, wherein the Hon'ble Apex Court has held that the human probability test is one of the important test in order to check the genuineness of the transactions.

6.2.4 In view of the above facts, I am of the considered opinion that the addition made by the AO amounting to Rs.2,12,84,180/- by considering the donations as the anonymous donations u/s 115BBC(3) of the Act is tenable due to the fact that the appellant has failed to submit the complete details with substantial evidence of the donors so that identity of the donors and genuineness of the transactions could be established. Accordingly, the grounds of appeal on this issue is hereby dismissed.

6.3 Ground No.2 – Addition u/s 68 of the Act - Rs.80,18,423/-

6.3.1 It is observed from the assessment order, the appellant has made cash deposits of Rs.80,18,423/- during the demonetization period, however, the appellant has not explained the source of the said cash deposits with corroborative evidence, hence the AO has added the said amount of cash deposits to the total income u/s 68 of the Act as unexplained cash credits.

6.3.2 During the appellate proceedings, the appellant has admitted that it had deposited the cash during the demonetization period and has submitted that the cash was available with the appellant prior to the declaration of demonetization received by a way of cash donations and the same is deposited during the demonetization period. Further, the appellant has submitted that it had received more than 1 Crore in cash as donations prior to declaration of the demonetization period. Also, the appellant has submitted that the AO has considered the amount of Rs.2,24,04,400/- received during the FY 2016-17 as anonymous donations, which is inclusive of the above said cash deposits of Rs.80,18,423/- made during the demonetization period.

6.3.3 The above contention of the appellant is acceptable due to the fact that the appellant has admitted that it had received the donation amount of Rs.2,24,04,400/- in cash and out of which, it had deposited an amount of Rs.80,18,423/- in its bank account during the demonetization period. Since, the above said amount of donations received by the appellant amounting to Rs.2,24,04,400/- has been held as anonymous donations as per the above para no.6.2.3 and 6.2.4 u/s 115BBC of the Act, the addition made by the AO u/s 68 of the Act on account of cash deposits amounting to Rs.80,18,423/-, which is included in the said anonymous donations, the said addition made by the AO u/s 68 of the Act is tantamount to duplicate addition.

6.3.4 In view of the above, I am of the considered opinion that the addition made by the AO u/s 68 of the Act on account of cash deposits amounting to Rs.80,18,423/- as unexplained cash credits is not sustainable due to the fact that the cash deposited by the appellant

was already taxed as anonymous donation u/s 115BBC of the Act. Accordingly, the addition made by the AO amounting to Rs.80,18,423/- u/s 68 of the Act is hereby deleted. Hence, the ground of appeal filed by the appellant is allowed.

7. *As a result, the appeal is partly allowed.”*

4. It is the above order against which the Revenue as well as the assessee are in cross appeals before this Tribunal.

5. First, we shall take up the appeal of the Revenue in ITA No.1370/PUN/2025 for adjudication.

ITA No.1370/PUN/2025 :

6. The Revenue has raised the following grounds of appeal :-

“1. Whether on the facts and in the circumstance of the case. The CIT(A) has erred in deleting the addition of Rs. 80,18,423/- made u/s 68 of the I.T. Act, without verifying the genuineness, identity and creditworthiness of the donors, which is claimed to be source of income for making cash deposit in Bank account.

2. Whether on the facts and in the circumstance of the case, the CIT(A) erred in deleting the addition of Rs. 80,18,423 made u/s 68 of the I.T. Act without calling for remand report in order to prove or establish genuineness, creditworthiness identity, real nature of donation claimed by the assessee as source of income for making cash deposit in Bank account.

3. Whether on the facts and in the circumstance of the case. The CIT(A) was right in holding that the addition of Rs.80,18,423 made u/s 68 for Unexplained credits tantamounts to duplicate addition.

4. Whether on the facts and in the circumstance of the case the CIT(A) was right in holding that the source of cash deposit in bank account amounting of Rs.80,18,423/- is from the anonymous donation received in cash from various donors, when the CIT(A) himself has given finding in para No. 6.2.3 of the appeal order that the appellant has not established the identity of donors and genuineness of donation is not proved.

5. The applicant craves to leave, Add/amend or alter any of the above ground of appeal at or before the time of hearing.”

7. All the grounds raised by the Revenue revolves around the deletion of addition of Rs.80,18,423/- u/s 68 of the IT Act. In this regard, we find that the assessee made cash deposits of Rs.80,18,423/- during demonetization period which was claimed to be received as cash donations and was available with the assessee prior to declaration of demonetization period. This contention of the assessee was not accepted by the Assessing Officer, however Ld. CIT(A)/NFAC was of the view that since an addition of Rs.2,12,84,180/- u/s 115BBC of the IT Act was already made as anonymous donations received in cash, the amount of Rs.80,18,423/- is already included in the above amount hence the same tantamounts to double addition. The Revenue is challenging the above action of Ld. CIT(A)/NFAC wherein the addition of Rs.80,18,423/- was deleted without calling for any remand report in this regard from the Assessing Officer.

8. On perusal of the impugned order passed by Ld. CIT(A)/NFAC, we find that the matter needs re-verification since it is not clear that the above addition of Rs.80,18,423/- forms part of anonymous donations of Rs.2,12,84,180/- received in cash by the assessee and added u/s 115BBC of the IT Act. Accordingly, we deem it appropriate to set-aside the impugned order passed by

Ld. CIT(A) and remand the matter back to the file of the Assessing Officer with a direction to pass assessment order afresh only on the issue of addition of Rs.80,18,423/- as per fact and law after providing reasonable opportunity of hearing to the assessee. The assessee is also hereby directed to respond to the notices issued by the Assessing Officer in this regard and to produce relevant documents/submissions/evidences, if any, in support of his contentions without taking any adjournment under any pretext, otherwise the Assessing Officer shall be at liberty to pass appropriate order as per law. Thus, the grounds of appeal raised by the Revenue are allowed for statistical purposes.

9. In the result, the appeal filed by the Revenue in ITA No.1370/PUN/2025 is allowed for statistical purposes.

10. Now, we shall take up the appeal of the assessee in ITA No.1421/PUN/2025 for adjudication.

ITA No.1421/PUN/2025 :

11. The assessee has raised the following grounds of appeal :-

“Addition u/s 115BBC – Rs.2,12,84,180/-

We humbly seek reconsideration of the addition made under section 115BBC, on the following grounds:

- *Detailed Records Maintained:*

The trust has maintained serially numbered donation registers, recording donor names and addresses to the best extent possible. While the records may not include PAN or exhaustive addresses, this is primarily due to the nature of donors, who are predominantly rural families, small business owners, and individuals who may not possess PANs or detailed documentation.

- *Genuine Donations:*

The donations were collected in good faith to support educational operations, not for profit. We submitted donor lists and sample receipts through the ITBA portal on 24/12/2019 during the assessment, but these were not duly considered.

- *Legal Precedence:*

The trust's scenario aligns with the spirit of section 115BBC(3), which excludes donations from identified donors from the scope of anonymous donations. We maintain that the donors' identities were captured as per practical rural constraints.

- *Transparency and Compliance:*

The trust has consistently filed income tax returns, complied with all regulatory requirements, and cooperated with tax authorities during scrutiny assessments.

We request that the addition under 115BBC be reconsidered in light of the trust's genuine charitable intent, detailed records, and the socio-economic context of its donors."

12. All the grounds of appeal raised by the assessee revolves around addition towards anonymous donations of Rs.2,12,84,180/- made u/s 115BBC of the IT Act. In this regard, we find that the contention of the assessee is that the trust has already furnished the desired details on the income tax portal on 24.12.2019 i.e. list of donations receipts and other relevant details, however on the very same day, the assessment order was passed by the Assessing Officer. Therefore, it was contended that the addition was made

treating as if the assessee has not furnished any details. Accordingly, it was prayed before the Bench to provide one opportunity to produce all the desired details as required by the Assessing Officer since each and every details are available with the assessee.

13. Considering the totality of the facts of the case and in the light of the fact that we have already remanded the matter back to the file of the Assessing Officer for deciding the issue afresh regarding addition of Rs.80,18,423/-, we deem it appropriate to set-aside the impugned order passed by Ld. CIT(A)/NFAC and remand the matter back to the file of the Assessing Officer with a direction to pass assessment order afresh only with regard to addition towards anonymous donations of Rs.2,12,84,180/- made u/s 115BBC of the IT Act and as per fact and law after providing reasonable opportunity of hearing to the assessee. The assessee is also hereby directed to respond to the notices issued by the Assessing Officer in this regard and to produce relevant documents/submissions/evidences, if any, in support of his contentions without taking any adjournment under any pretext, otherwise the Assessing Officer shall be at liberty to pass

appropriate order as per law. Thus, the grounds of appeal raised by the assessee are allowed for statistical purposes.

14. In the result, the appeal filed by the assessee in ITA No.1421/PUN/2025 is allowed for statistical purposes.

15. To sum up, the above cross appeal filed by the Revenue as well as by the assessee are allowed for statistical purposes, as indicated above.

Order pronounced on this 29th day of January, 2026.

Sd/-
(R. K. PANDA)
VICE PRESIDENT

Sd/-
(VINAY BHAMORE)
JUDICIAL MEMBER

पुणे / Pune; दिनांक / Dated : 29th January, 2026.

Sujeet

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, "A" बेंच, पुणे / DR, ITAT, "A" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

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Assistant Registrar
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.