आयकर अपीलीय अधिकरण, विशाखापत्तनम पीठ, विशाखापत्तनम

**INCOME TAX APPELLATE TRIBUNAL,**
**VISAKHAPATNAM BENCH, VISAKHAPATNAM**

श्री विजय पाल राव, माननीय उपाध्यक्ष एवं श्री मंजूनाथ जी, माननीय लेखा सदस्य

**SHRI VIJAY PAL RAO, HON'BLE VICE PRESIDENT**
**AND**
**SHRI MANJUNATHA G, HON'BLE ACCOUNTANT MEMBER**

<table>
<tr><td colspan="3" align="center">ITA 34/VIZ/2026<br>निर्धारण वर्ष/Assessment Year:2017-18)</td></tr>
<tr><td>ANIL SWATHI BALRAM FOUNDATION<br>D.NO.33-12-5, ANIL BUILDINGS, SURYARAO, VIJAYAWADA-520002, ANDHRA PRADESH</td><td rowspan="2">Vs.</td><td>THE INCOME TAX OFFICER,<br>EXEMPTION WARD<br>VEERABHADRAPURAM RAJAHMUNDRY</td></tr>
<tr><td align="center">आवेदक/Applicant</td><td align="center">प्रत्यर्थी / Respondent</td></tr>
<tr><td colspan="3"></td></tr>
<tr><td colspan="2" align="right">Permanent Account Number of Assessee:</td><td align="center">AADTA4446R</td></tr>
<tr><td colspan="3"></td></tr>
<tr><td colspan="2" align="right">आवेदक द्वारा/Applicant represented by:</td><td>CA MV Prasad</td></tr>
<tr><td colspan="2" align="right">प्रत्यर्थी द्वारा/Respondent represented by:</td><td>Sri A.P.Babu, Sr.AR</td></tr>
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| सुनवाई की तारीख/Date of conclusion of hearing: | **11.08.2026** |
| घोषणा की तारीख/Date of pronouncement: | **13.08.2026** |

## आदेश/ORDER

**PER SHRI MANJUNATHA G., ACCOUNTANT MEMBER:**

This appeal is filed by the assessee against the order of the Commissioner of Income Tax(Appeals) {"Ld.CIT(A)"], National Faceless Appeal Centre ("NFAC"), Delhi vide DIN & Order No. ITBA/NFAC/S/250/2025-26/1084561908(1) for the A.Y.2017-18.

2. The brief facts of the case are that the appellant Trust, Anil Swathi Balaram Foundation filed its return of income for the A.Y.2017-18, declaring total income of Rs.1,83,00,090/- after claiming exemption of Rs.30,79,552/- u/s 11 of the Income Tax Act, 1961 ("the Act"). During the Financial Year (F.Y.) 2016-17, relevant to Assessment Year (A.Y.) 2017-18, the appellant Trust had received anonymous donations of Rs.1,90,00,000/- and the same has been treated as income and paid tax @30% u/s 115BBC of the Act. The case was selected for scrutiny and the assessment has been completed u/s 143(3) of the Act, where, the AO made addition of Rs.1,93,92,158/- towards anonymous donations as unexplained/unproven cash credits u/s 68 of the Act and consequently taxed the same u/s 115BBE of the Act.

3. On appeal, the Ld.CIT(A) vide their appellate order dated 08.01.2026 dismissed the appeal filed by the assessee and confirmed the additions made by the AO towards anonymous donations u/s 68 of the Act.

4. Aggrieved by the order of the Ld.CIT(A), the assessee is now in appeal before the Tribunal.

5. The Ld.Counsel for the assessee, Shri M.V.Prasad, CA submitted that the Ld.CIT(A) erred in confirming the additions made towards

anonymous donations of Rs. 1,93,92,158/- u/s 68 of the Act, even though as per the provisions of section 115BBC of the Act, the assessee need not maintain any records, including name and address of the donors in case of receipt of anonymous donations. In this regard, he relied upon the decision of Hon'ble High Court of Delhi in the case of Director of Income Tax (Exemptions) Vs. Keshav Social & Charitable Foundation (2005) 146 taxmann 569 (Delhi) and also decision of ITAT, Delhi Bench in the case of Asst.CIT, Circle-2, Meerut Vs. Shree Shiv Venkashawar Educational & Social Welfare Trust (2019) 106 taxmann.com 249 (Delhi-Trib).

6. Sri A.P.Babu, Ld.Sr.AR for Revenue, on the other hand, supporting the order of the Ld.CIT(A) submitted that the assessee has failed to prove the anonymous donations with relevant details. Further, the assessee has made cash deposit into its bank account during demonetization period and to explain the source for cash deposit it has come up with the theory of anonymous donations. Since the assessee failed to prove the anonymous donations, the AO has rightly assessed credits as unexplained cash credits and brought to tax u/s 115BBE of the Act. The Ld.CIT(A) after considering relevant provisions has rightly sustained the additions made by the AO, therefore, the order of the Ld.CIT(A) should be upheld.

7. We have heard both the parties, perused the material on record and had gone through the orders of the authorities below. The appellant Trust is registered u/s 12A of the Act, claiming exemption u/s 11 of the Act in respect of its income derived from property held under the Trust. Provisions of section 115BBC deals with anonymous donations to be taxed in certain cases and as per the above provision, where the total income of an assessee, being a person in receipt of income on behalf of any university or other educational institution claiming exemption u/s 10(23C) or institution referred in section 11 & 12 includes any income by way of any anonymous donation, the income-tax payable shall be the aggregate of the amount of income-tax calculated at the rate of thirty per cent on the aggregate of anonymous donations received in excess of the higher of five per cent of the total donations received by the assessee; or one lakh rupees, and the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the aggregate of anonymous donations received in excess of the amount referred to in sub-clause (*A*) or sub-clause (*B*) of clause (*i*), as the case may be. In other words, if any institution or Trust receives anonymous donations, the same shall be chargeable to tax @30%, subject to certain conditions. In the present case, there is no dispute with regard to the fact that the appellant is a Trust registered u/s 12A of the Act is claiming exemption u/s 11 of the Act. In fact, the AO allowed exemption claimed by the assessee. However, the AO assessed anonymous donations claimed by the assessee as unexplained cash credit and taxed the same

u/s 68 r.w.s. 115BBE of the Act on the ground that the appellant has failed to prove anonymous donations with relevant details. In our considered view, once any Trust or Institution claims anonymous donations and paid taxes as per section 115BBC, then as per sub section (3), it does not require to maintain the record of the identity indicating the name and address of the person making such contribution and such other particulars as may be prescribed. Since the provisions do not mandate maintenance of records of identity of the anonymous donors, in our considered view, the reasons given by the Ld.AO to treat anonymous donations as unexplained cash credits cannot be upheld. The Ld.CIT(A) without considering the relevant facts simply sustained the addition made by the AO. Thus, we set aside the order of the Ld.CIT(A) and direct the AO to compute tax @30% on total anonymous donations received by the assessee as per the provisions of section 115BBC of the Act.

8. In the result, appeal filed by the assessee is allowed.

Order pronounced in the open court on 13th August, 2026.

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| **Sd/-**<br>**(विजय पाल राव)**<br>**(VIJAY PAL RAO)**<br>**उपाध्यक्ष /VICE PRESIDENT** | **Sd/-**<br>**(मंजूनाथ जी)**<br>**(MANJUNATHA G.)**<br>**लेखा सदस्य/ACCOUNTANT MEMBER** |

Visakhapatnam
dated 13.08.2026.
*L.Rama/Sr.PS*

Copy to:

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|---|---|
| 1 | **ANIL SWATHI BALRAM FOUNDATION, D.NO.33-12-5, ANIL BUILDINGS, SURYARAO, VIJAYAWADA-520002, ANDHRA PRADESH** |
| 2 | **THE INCOME TAX OFFICER, EXEMPTION WARD, THE INCOME TAX OFFICER, EXEMPTION WARD, AAYAKAR BHAWAN, VEERABHADRAPURAM, RAJAHMUNDRY-533105, ANDHRA PRADESH** |
| 3 | THE PCIT / CIT, |
| 4 | THE D.R., ITAT, VISAKHAPATNAM BENCH |
| 5 | GUARD FILE |

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**SR. PRIVATE SECRETARY**
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