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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ ITA 302/2026 & CM APPL. 23402/2026

THE PR. COMMISSIONER OF INCOME TAX -CENTRAL -1 .....Appellant

Through: Mr. Ruchir Bhatia, SSC with Mr.Anant Mann & Mr. P Gupta, JSCs

versus

SANTOSH TRUST .....Respondent

Through: *Nemo*.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE VINOD KUMAR

ORDER

% 10.04.2026

1. By way of the present appeal, preferred under Section 260A of the Income Tax Act, 1961 (*hereinafter referred to as 'the Act of 1961'*), the appellant-Department has challenged the order dated 29.08.2025 passed by the Income Tax Appellate Tribunal "G" Bench, Delhi (*hereinafter referred to as 'the Tribunal'*).

2. The basic question (though a question of fact) involved in the present appeal is in relation to substantial cash amount of Rs.39,83,63,741/-, which the respondent-Trust had deposited during the demonetization period from 09.11.2016 to 31.12.2016. The Assessing Officer added the entire cash deposited by the Trust treating the same as income under Section 69A read with Section 115BBE of the Act of 1961.

3. The Commissioner of Income Tax (Appeals) *(hereinafter referred to*

as 'CIT(A)'), vide its order dated 13.02.2023, set aside such addition while recording a finding that the cash deposit cannot be said to be unusual, given the nature of the activities of the respondent-Trust. He also recorded the fact that there was a consistent cash balance in the books of the respondent-Trust.

4. The Tribunal, vide the impugned order rejected the Department's appeal and affirmed the order of the CIT(A).

5. Mr. Anant Mann, learned Junior Standing Counsel for the appellant-Department, argued that both the Appellate Authorities have seriously erred in deleting the addition.

6. Though we know that the question as to whether the cash deposit was duly explained or not is a finding of fact, though with reluctance, for the sake of satisfaction of learned JSC, we went through the record to the extent necessary. On perusal of paragraph no.4.2.18 sub paragraph 5 of the order of the CIT(A), we find that the Commissioner after analyzing the cash balance in the books of the respondent-Trust had found as under:

S.No.	**Date**	**Cash in hand**
1.	01.04.2016	Rs.1,17,57,764/-
2.	30.04.2016	Rs.2,33,98,814/-
3.	31.05.2016	Rs.10,56,87,493/-
4.	30.06.2016	Rs.13,67,78,622/-
5.	31.07.2016	Rs.33,08,06,435/-
6.	31.08.2016	Rs.37,00,28,233/-
7.	30.09.2016	Rs.38,49,38,712/-
8.	31.10.2016	Rs.42,92,29,252/- *****Rs.39,83,63,741/- deposited between 09.11.2016 and 31.12.2016
9.	30.11.2016	Rs.2,10,89,138/-

7. Undisputedly, demonetization was declared on 08.11.2016 and even on 31.10.2016, the respondent-Trust had a cash balance of Rs.42,92,29,252/- and therefore, the deposit of Rs. 39,83,63,741/- can neither be said to be unusual nor can it be taxed, while invoking provisions of Section 69A read with Section 115BBE of the Act of 1961.

8. Apart from that, looking at the nature of the activities which the respondent-assessee is engaged in, *viz.* running a college, if comparatively more cash was collected and deposited during demonetization period, it can well be understood that parents of students would rush to deposit the fees in cash out of the cash amount that was available with them.

9. We do not find anything wrong or unusual in cash deposit of Rs. 39,83,63,741/- by the respondent-Trust.

10. The appeal, therefore, fails.

11. The pending application is disposed of.

DINESH MEHTA, J

VINOD KUMAR, J

APRIL 10, 2026
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