

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'C', NEW DELHI**

**BEFORE SH. SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SH. NAVEEN CHANDRA, ACCOUNTANT MEMBER**

**ITA No. 3535/Del/2024
(Assessment Year : 2014-15)**

Rajpal Singh Memorial Education Society, Village Rampur, Goghar Post Surjan Nagar, Tehsil thakurdwara, Moradabad Uttar Pradesh - 244 601 PAN No. AABAR 6604 F (APPELLANT)	Vs.	National Faceless Appeal Centre (NFAC) ITO, Exemption Ward - Bareilly, Uttar Pradesh - 244 601 (RESPONDENT)
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Assessee by	Shri Saurav Rohtagi, C.A. & Shri Rajat Mittal, C.A.
Revenue by	Shri Om Prakash, Sr. D.R.

Date of hearing:	07.04.2026
Date of Pronouncement:	15.04.2026

ORDER

PER NAVEEN CHANDRA, ACCOUNTANT MEMBER :

This captioned appeal has been filed by the assessee against the order of the learned Commissioner of Income Tax (Appeals) - NFAC, Delhi ['CIT(A)' in short] dated 05.06.2024 arising from the assessment order dated 31.03.2022, passed by the Income Tax Officer, Exemption

Ward, Bareilly under Section 147 read with section 144 of the Income Tax Act, 1961 ('the Act') concerning Assessment Year (A.Y.) 2014-15.

2. The grounds raised by the assessee are as under :

Aggrieved by the order of Ld. Assessing Officer the appellant has preferred this appeal based on below grounds:

1. *The Ld. Assessing Officer has erred in considering the fact that the appellant obtained the fresh PAN (AACTR8770J) due to technical problem in filing its return and hence filed its return of income on the new PAN (AACTR87701) instead of the old PAN (AABAR6604F).*
2. *The Ld. Assessing Officer has erred in considering the fact that the amount deposited in the bank account was the amount received by the appellant during the year as fees from the students and was not unexplained money. Hence, the addition made by Ld. Assessing Officer under section 69A of the Income Tax Act, 1961 is not justified.*
3. *The Ld. Assessing Officer has erred in considering the fact that the Bank account bearing account number 6513000100065247 at Punjab National Bank, Thakurdwara Branch, Moradabad, UP considered by him for the purpose of completion of assessment under old PAN (AABAR6604F) is the same which has already been reported by the appellant in its return of income filed on the new PAN (AACTR8770J).*
4. *The Ld. Assessing Officer has erred in considering the fact that the appellant is running an educational institution and has incurred expenses against the receipts as an educational institution. Hence, making an addition of the gross receipts without giving the effect of the corresponding expenditure incurred by the appellant is against the principle of natural justice and bad in law.*
5. *The appellant craves leave to add, amend, modify, rescind, supplement, or alter any of the grounds stated herein above either before or at the time of hearing of the appeal."*

3. Brief facts of the case are that the assessee is a charitable society engaged in running an educational institute. It was constituted as an AOP wherein it had obtained PAN: AABAR 6604 F. Thereafter, the assessee obtained a fresh PAN as trust having PAN No. AACTR 8770 J and filed return of income under the new PAN by claiming an

exemption under section 12AA of the Act. Since, the Bank in which the account of the assessee was maintained did not update the new PAN in their records, all the collection of the fee received from the students were recorded under the old PAN. As the fees were being deposited in the bank account of the old PAN and the assessee did not file any ITR under the old PAN, the Assessee's case was reopened under section 148 of the Act with regard to explanation for the deposit of cash of Rs.1,85,85,920/-.

4. The AO was not satisfied with the above explanation of the assessee and added the same as unexplained income under section 69A of the Act read with section 115BBE of the Act.

5. On appeal, the CIT(A) was not convinced with the reply and confirmed the addition made by AO. Aggrieved the assessee is before us.

6. The Learned Counsel of the assessee submitted that assessee is running an educational institute and cash deposit made in the bank account are on account of fees collected from the educational institute it is running. It was submitted that the fees received were duly recorded in the books of account.

7. We find that possession of two PANs is illegal under section 139A(7) of the Act which may call for penalty under section 272B of

the Act. Nevertheless, we find that the assessing officer has not been able to dislodge the assessee explanation that the cash deposit in the bank account, maintained made under the old PAN, are all on account of fees collected which are duly recorded in the books of accounts maintained by the assessee. We also find that the AO has not found any defects in the assessee's books of account. In such factual matrix, we are of the view just because the fees has been deposited in bank account maintained under old PAN, for which no returns are filed, addition can be made in the hands of the assessee under old PAN. The case would have different where the cash deposited in assessee bank account was not recorded in the books of account of the assessee. We therefore are of the considered view that the additions made are unwarranted and accordingly, we direct the AO to delete the addition.

8. In the result, appeal of the assessee is allowed.

Order pronounced in the open court on 15.04.2026

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Sd/-
(NAVEEN CHANDRA)
ACCOUNTANT MEMBER

Date:- 15.04.2026

*Priti Yadav, Sr. Ps**

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI