

**IN THE INCOME TAX APPELLATE TRIBUNAL
AMRITSAR BENCH, AMRITSAR**

**BEFORE DR. M. L. MEENA, ACCOUNTANT MEMBER
AND SH. ANIKESH BANERJEE, JUDICIAL MEMBER**

I.T.A. No. 374/Asr/2019
Assessment Year: 2010-11

Sh. Kuldip Singh
S/o Sh. Parkash Singh,
VPO Bazipur, Distt. SBS
Nagar-144 517

[PAN: BXLPS 9675N]

(Appellant)

V. Income Tax Officer,
Nawanshahr

(Respondent)

Appellant by Sh. Gaurav Dhall, CA

Respondent by Dr. Vedanshu Tripathi, Sr. DR

Date of Hearing : 25.05.2023
Date of Pronouncement : 06.06.2023

ORDER

Per Dr. M. L. Meena, AM:

The captioned appeal has been filed by the assessee against the order of the Ld. Commissioner of Income Tax (Appeals)-1, Jalandhar dated 28.12.2018 in respect of AY 2010-11 challenging therein levy of penalty u/s

271(1)(c) of the Income Tax Act, 1961 on account of unexplained cash deposit in bank.

2. At the outset, the Id. counsel for the assessee has submitted that the appellant assessee is an agriculturist. In the quantum appeal, the Id. CIT(A) has given direction to the AO as regards the addition of Rs.3,50,000/- made on account of unexplained investment with M/s Bajaj Allianz Insurance Co. Ltd. that the AO should verify the amount of investment of Rs.3,50,000/- deposited on 27.09.2009 and 09.09.2009 in its bank account as it has been shown transfer to Bajaj Allianz LIC was whether against these amounts Insurance Policies has been issued in the name of said person.

3. While giving appeal effect to the order of the Id. CIT(A), the Id. AO was although satisfied with the explanation of the assessee that the deposits were made by Ms. Amandeep Kaur and Sh. Angrej Singh. However, he was not convinced with the explanation whether the policies issued in these names by M/s Bajaj Allianz Insurance Co. The Id. CIT(A) has held that the assessee was an agent of M/s Bajaj Allianz LIC and he has a running account with M/s Allianz. However, the assessee has failed to establish the news to the effect that Ms. Amandeep Kaur and Sh. Angrej

Singh were the beneficiary of policies who have deposited Rs.3,50,000/- in the bank account of the assessee. The Id. AR argued that Ms.. Amandeep Kaur and Sh. Angrej Singh had deposited the disputed cash in the bank account of the appellant Sh. Kuldip Singh, LIC agent for the purpose of investment in LIC policies. The Id. CIT(A) has further noted that on a perusal of the bank account along with the statement of M/s Bajaj Allianz. It is fairly ascertained that the assessee was regularly making deposits with M/s Bajaj Allianz, as evident from the copy of the bank statement of the alleged Bank Account No. 665010100006897 for the period under consideration from 10.04.2009 to 31.03.2010 which is reproduced as under:

144514

Currency

Statement of Account No : 665010100006897 for the period (From : 01-04-2009 To : 31-03-2010)

Tran Date	Chq No	Particulars	Debit	Credit	Balance
		OPENING BALANCE			4469.00
04-04-2009		BY CASH		47000.00	51469.00
04-04-2009	4983	BAJAJ	50000.00		1469.00
27-04-2009		BY BAJAJ ALLIANZ LIFE INS // KULDEEP SINGH		16910.00	18379.00
04-05-2009		BY CASH		200000.00	218379.00
04-05-2009	4984	BAJAJ ALLIANZ LIFE INS	200000.00		18379.00
14-05-2009		CASH-A TM-BANGA,PUNJAB/140509/09:14	15000.00		3379.00
30-06-2009		665010100006897:Int.Pd:01-04-2009 to 30-06-2009		24.00	3403.00
16-07-2009		CWDR/000000007606/16-07-2009 17:53:39/EUR	2000.00		1403.00
19-08-2009		BY CASH		200000.00	201403.00
20-08-2009		BY CASH		100000.00	301403.00
20-08-2009	4985	BAJAJ ALLIANZ	300000.00		1403.00
25-08-2009		BY CASH		100000.00	101403.00
25-08-2009	4987	YOURSELF	100276.00		1127.00
27-08-2009		AMANDEEP KAUR		100000.00	101127.00
27-08-2009	4986	BAJAJ ALLIANZ	100000.00		1127.00
01-09-2009		CASH-A TM-NAWANSHAHR, PUNJAB/010909/13:06	500.00		627.00
01-09-2009		BY CASH		200000.00	200627.00
02-09-2009	4988	BAJAJ ALLIANZ	200000.00		627.00
09-09-2009		BY CASH		100000.00	100627.00
09-09-2009		AMANDEEP KAUR		100000.00	200627.00
09-09-2009		ANGRAJ SINGH SANDHU		150000.00	350627.00
09-09-2009	4989	BAJAJ ALLIANZ LIC	350000.00		627.00
25-09-2009		BY BALIC // KULDEEP SINGH		6364.00	6991.00
30-09-2009		665010100006897:Int.Pd:01-07-2009 to 30-09-2009		9.00	7000.00

4. From the above, it is evident that the amount of Rs.2,00,000/- was deposited by Ms. Amandeep Kaur in two parts with a break up of Rs.1,00,000/- on 27.08.2009 and 09.09.2009 respectively and similarly the amount of Rs.1,50,000/- was deposited by Sh. Angrej Singh Sandhu on 09.09.2009 which has been transferred to Bajaj Allianz LIC on 09.09.2009. Thus, the sources of the disputed amount of Rs.3,50,000/- stand explained from the bank statement as being deposited by Ms. Amandeep Kaur and Sh. Angrej Singh Sandhu. In our view, the AO and the Id. CIT(A) ought to have verified from the M/s Bajaj Allianz LIC the fact whether the policies were issued towards the said amount deposited to its account or should have verified from Ms. Amandeep Kaur and Sh. Angrej Singh Sandhu who deposited the amount in the appellants bank account. Meaning thereby the allegations of the authorities below that the assessee have failed to related to Ms. Amandeep Kaur and Sh. Angrej Singh were the beneficiary of the policies by whom Rs.3,50,000/- was deposited in the bank account of the assessee to hold that the said amount is unexplained investment is not justified. In view of the matter, the source of cash deposit stand explained from the bank statement itself as above, being deposited by the Ms. Amandeep Kaur and Sh. Angrej Singh and the same cannot be hold to be unexplained investment based on presumption and assumption in the

absence of the corroborative evidences to disprove the documentary evidences available on record. The Id. DR has failed to rebut the contention of Id. DR on the source of the cash deposit being investment of third parties in M/s Bajaj Allianz. Thus, it is apparently clear that there was no concealment of income by the appellant assessee. Accordingly, we hold that the order of Id. CIT(A) is infirm and perverse to the facts on the record in confirming the levy of penalty u/s 271(1)(c) of the Act.

5. In the above view, we accept the grievance of the assessee as genuine considering the peculiar facts of the case. We, therefore, quashed the impugned order and levy of such, the penalty u/s 271(1)(c) of Rs.108,150/- is deleted.

6. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 06.06.2023

Sd/-

**(Anikesh Banerjee)
Judicial Member**

Sd/-

**(Dr. M. L. Meena)
Accountant Member**

GP/Sr./P.S.

Copy of the order forwarded to:

- (1) The Appellant
- (2) The Respondent

- (3) The CIT
- (4) The CIT (Appeals)
- (5) The DR, I.T.A.T.

True Copy
By Order