



**IN THE INCOME TAX APPELLATE TRIBUNAL,
CUTTACK 'SMC' BENCH, CUTTACK**

BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER

ITA No.117/CTK/2023

Assessment Year : 2017-18

Madhumita Das, Arilo Sandhanga, Kendrapara	Vs	Income Tax Officer, Kendrapara Kendrapara
PAN/GIR No. BAMPD 7067 H		
(Appellant)	..	(Respondent)

Assessee by : Shri Mohit Sheth, AR
Revenue by : Shri S.C.Mohanty, Sr DR

Date of Hearing : 16/06/2023
Date of Pronouncement : 16/06/2023

ORDER

This is an appeal filed by the assessee against the order of the Id CIT(A), NFAC, Delhi. dated 17.3.2013 in Appeal No. ITBA/NFAC/S/250/2022-24/231050906240(1) for the assessment year 2017-18.

2. Shri Mohit Sheth, Id AR appeared for the assessee and Shri S.C.Mohanty, Id Sr DR appeared for the revenue.

3. It was submitted by Id AR that the assessee is an individual, who is a house wife. It was the submission that the assessee's husband Shri Ambika Prasad Rout is a LIC agent and he has been recognized as a premium collection point for LIC of India from 20.7.2012. It was the submission that consequently, Shri Ambika Prasad Rout had opened a current account in the name of his wife with State Bank of India, Korua Branch, A/c No.33493786608. It was the submission that the premium which was deposited in the said account was also transferred to LIC of India and this has been recognized by the Assessing Officer in page 3 of his assessment order. It was the submission that during the demonetization period, there was cash deposit of Rs.5,02,000/-. The Assessing Officer had, on the ground that the assessee is not entitled to collect demonetization currency, treated the amount of Rs.5,02,000/- being the premium collected from various policy holders during the demonetization period as unexplained income of the assessee. It was the submission that on appeal, the Id CIT(A) deleted the addition to an extent of Rs.1,36,000/- but confirmed the addition to an extent of Rs.3,66,000/- holding that the assessee could not satisfactorily explain with credible evidence and documents to support the deposits. It was the submission that it is an undisputed fact that the Assessing Officer has examined the bank account and has found that the entire premium collected has been credited to the

LIC account. It was the prayer that the addition as confirmed by the Id CIT(A) is liable to be deleted.

4. In reply, Id Sr DR placed before the Tribunal the copy of the bank account in its entirety for the relevant assessment year. It was the submission that the said bank account is a current account. It was the submission that no reconciliation between the bank account with the account maintained for LIC of India has been produced by the assessee. It was the submission that there was substantial cash deposits during the relevant assessment year and no specific reconciliation between the cash deposited in the bank account and the cash transferred to LIC of India has been shown before the Tribunal. It was the submission that the addition as confirmed by the Id CIT(A) be upheld.

5. I have considered the rival submissions. At the outset, the issue before the Tribunal is in regard to the S.B. notes deposited in the current account maintained by the assessee. It is an admitted fact that the assessee's husband has been recognized as a premium collection point by LIC of India w.e.f. 20.7.2012. It is also an admitted fact that the Assessing Officer has examined the bank account and has accepted the fact that all the premiums collected in the said bank account have been deposited to LIC of India. This is found at page 3 second line from the top of the assessment order. It is also admitted fact that LIC of India was authorized to collect the demonetization currency during the demonetization period.

This being so, even the collection point would automatically be permitted to collect the demonetization currency during the demonetization period. The said bank account being accepted as a collection point for the LIC of India, the deposit of the demonetization currency during the demonetization period cannot be treated as unexplained income of the assessee. This view is also supported by the fact that the amounts deposited have been transferred to the LIC of India itself and nothing remained with the assessee. This being so, the addition as made by the AO and confirmed by the Id CIT(A) stands deleted.

6. In regard to Ground No.2 i.e. regarding the addition of Rs.23,986/-, as the main addition made in regard to the S.B. currency deposited in the bank account itself has been deleted earlier, the amount of Rs.23,986/- being below taxable limit would stand exempt from taxation.

7. In the result, appeal of the assessee stands deleted.

Order dictated and pronounced in the open court on 16/06/2023.

Sd/-
(George Mathan)
JUDICIAL MEMBER

Cuttack; Dated 16/06/2023
B.K.Parida, SPS (OS)

Copy of the Order forwarded to :

1. The Appellant : Madhumita Das, Arilo Sandhanga, Kendrapara
2. The Respondent: Income Tax Officer, Kendrapara Ward, Kendrapara
3. The CIT(A)-, NFAC, Delhi
4. Pr.CIT-, Cuttack
5. DR, ITAT, Cuttack
6. Guard file.
//True Copy//

By order

Sr.Pvt.secretary
ITAT, Cuttack