

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH “SMC”: NEW DELHI**

BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER

ITA No. 1276/DEL/2024
[Assessment Year: 2017-18]

Jitender Pal, E-63, South Anarkali, New Delhi-110051.	<u>Vs</u>	Income-tax Officer, Ward-59(5), New Delhi.
PAN- AQIPP 9297 J		
APPELLANT		RESPONDENT
Appellant by	Shri Atul Puri, CA	
Respondent by	Shri Siddharth B.S. Meena, Sr. DR	
Date of hearing	05.09.2024	
Date of pronouncement	12.09.2024	

ORDER

PER KUL BHARAT, JM:

This appeal, by the assessee, is directed against the order of the learned Commissioner of Income-tax (Appeals)-9, Mumbai, dated 31.01.2024, pertaining to the assessment year 2017-18. The assessee has raised following grounds of appeal:

“1 That the Ld. CTT(A) has erred in misunderstanding the facts of the case

2 That the Ld. CTT(A) has further erred in confirming the addition of Rs. 724,000.00 in a mechanical and arbitrary manner

3 That the Ld. CIT(A) has further erred in violating the Principles of natural Justice

4 That the Ld. CIT(A) has further erred in confirming the action of the AO in invoking the provisions of section 69A and 115BBE in complete disregard of the intention of the revenue in introducing these provisions

5. That the Ld. CIT(A) has further erred in converting a valid explanation into no explanation at all.

6 That the Ld. CIT(A) has further erred in validating the requirement of the AO to ask the assessee to provide copies of the insurance policies running into hundreds.

7. The appellant craves leave to file one or more grounds of appeal before or at the time of hearing.”

2. Facts, in brief, are that for A.Y. 2017-18 the assessee filed his return on 21.07.2017, declaring income of Rs. 5,50,050/-. During assessment proceedings the AO noticed that during demonetization period assessee had cash deposits of Rs. 8,64,000/-. Assessee's submission was that out of total deposit, Rs. 1,40,000/- was deposited in new currency; Rs. 2,44,000/- was kept for facility emergency and house-hold expenses; Rs. 1,57,000/- cash received from unidentifiable person; and Rs. 4,63,000/- cash received from unidentifiable receipts vehicle insurance premium received in cash from various clients. The AO accepted the assessee's

explanation of deposit of Rs. 1,40,000/- in new currency. In respect of remaining cash deposit of Rs. 7,24,000/- the AO rejected the explanation furnished by the assessee and added the same to the income of the assessee by treating the same as unexplained income of the assessee. Thus, completing the assessment at total income of Rs. 12,74,050/-. Aggrieved against it assessee preferred appeal before learned CIT(Appeals) who also upheld the action of the AO and dismissed the assessee's appeal. Aggrieved against it the assessee is in appeal before this Tribunal.

3. The assessee has taken multiple grounds but in essence he is challenging non-granting of adequate opportunity by the authorities below. He also contended that the learned CIT(Appeals) failed to consider the fact in right perspective. The assessee is a general insurance agent and the amount so deposited is out of business receipts. He also submitted that the lower authorities have not considered the material placed before them.

4. Apropos to the grounds, learned counsel for the assessee took me through the impugned order and also the paper book filed by him wherein he has filed the details of policies issued during the month of November 2016; copies of policy documents; bank statement and the complaint filed by him under the Negotiable Instrument Act against one Mr. Amar Jeet Singh to buttress the contention that the amount was deposited out of the explained source of income. Copy of bank

account summary for F.Y. 2016-17 is also submitted. As per this, total cash deposited during the year is 53,80,600/-. It is also pointed out that in the month of October 2015 a sum of Rs. 5,81,000/- was deposited. The payments were also made to the Insurance Company. From the bank statement submitted by the assessee it is seen that there are payments made to Bajaj Allianz general Insurance out of deposits. Thus, he submitted that the impugned order is erroneous and against the facts on record.

5. On the other hand, learned DR supported the orders of lower authorities.

6. I have heard rival submissions and perused the material available on record. It is seen from the paper book submitted by the assessee that from the bank statement it is transpired that the assessee has made various payments to the Insurance Company and also deposited the cash in the bank account. The assessee has also given list of beneficiaries of the insurance. Looking to the material on record I am of the considered view that the lower authorities have failed to appreciate the fact in right perspective and also the material placed by the assessee was not duly considered. Therefore, considering the material placed before me, which has not been controverted by the Revenue, I am of the considered view that the impugned addition as made by the AO is not sustainable. Hence, the impugned

addition of Rs. 7,24,000/- is hereby deleted. Grounds nos. 2 & 4 are allowed. Other grounds are general in nature and need no adjudication.

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

Order pronounced in open court on 12th September, 2024.

**Sd/-
(KUL BHARAT)
JUDICIAL MEMBER**

MP

Copy forwarded to:

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

**ASSISTANT REGISTRAR
ITAT, NEW DELHI**