

**IN THE INCOME TAX APPELLATE TRIBUNAL "CUTTACK" BENCH, CUTTACK
VIRTUAL HEARING AT KOLKATA**

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER
AND SHRI RAJESH KUMAR, ACCOUNTANT MEMBER**

**ITA No. 83/CTK/2025
Assessment Year: 2017-18**

Gopabandhu Dash AT Danpur, Danpur, Kendrapara-754210, Odisha/ (PAN: AEDPD1503J)	V s	ITO, Kendrapara Ward
(Appellant)		(Respondent)

Present for:

Appellant by : Shri Mohit Sheth, Advocate
Respondent by : Shri S. C. Mohanty, Sr. DR

Date of Hearing : 09.04.2025
Date of Pronouncement : 09.04.2025

ORDER

Per Bench :

The captioned appeal by the assessee is against the order of the Ld. Commissioner of Income Tax (Appeal), Addl/JCIT(A)-2, Surat [hereinafter referred to as "the Ld. CIT(A)"] vide order no. ITBA/NFAC/S/250/2024-25/1070613915(1) dated 25.11.2024 passed u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as "the Act") for AY 2017-18.

2. Shri Mohit Sheth represented on behalf of the assessee and Shri S. C. Mohanty, Sr. DR appeared on behalf of the revenue.
3. It was submitted by the Ld. AR of the assessee that in the course of assessment, the Assessing Officer has treated an amount of rs.5,75,500/- deposited in the bank account of the assessee in the form of demonetized

currency as the unexplained income of the assessee. The Ld. AR drew our attention to the assessment order in page 2 wherein the Assessing Officer categorically admits that the total deposit in the bank account of the assessee comes to Rs.2,24,65,559/- out of which Rs.1,99,57,330/- is cash deposits. It was a submission that part of the cash deposit was in demonetized currency to an extent of Rs.,5,75,000/- deposited in the demonetized currency. It was a submission that these were currencies given to the assessee by the assessee's client for making payment of LIC premium. It was the submission that the Assessing Officer also recognized that the assessee is an authorized premium point collection agent for LIC. It was the submission that payment to LIC was permitted in respect of the demonetized currency. It was the prayer that the disallowance as made by the Assessing Officer and as confirmed by the Ld. CIT(A) is liable to be deleted.

4. In reply, the Ld. Sr. DR vehemently relied on the orders of the lower authorities.

5. We have heard rival submissions. A perusal of the facts of the present case clearly shows that the assessee has been a recognized premium collection point for the LIC. LIC is a government organisation. The government during the demonetization period has authorised to take payment in the form of demonetized currency. The assessee has only acted as an agent of LIC. The assessee has not used any of these funds for his personal purpose. There is also no allegation of this nature from the Assessing Officer in the assessment order. This being so as the demonetized currency has been collected by the assessee as a premium collection point for the LIC, we are of the view that the same cannot be treated as unexplained income of the assessee. Consequently, the addition as made by the Assessing Officer and confirmed by the Ld. CIT(A) stands deleted.

6. In the result, the appeal of the assessee allowed.

Order dictated and pronounced in the open court.

Sd/-
(Rajesh Kumar)
Accountant Member

Sd/-
(George Mathan)
Judicial Member

Dated: 9th April, 2025

JD, Sr. P.S.

Copy to:

1. The Appellant: Shri Gopabandhu Dash
1. Respondent – ITO, Kendrapara Ward, Kendrapara
2. CIT(A), Addl/JCIT(A)-2, Surat
3. Pr. CIT
4. DR, ITAT, Cuttack
5. Guard file.

True Copy

By Order

Assistant Registrar
ITAT, Cuttack