

**IN THE INCOME TAX APPELLATE TRIBUNAL,
AGRA (DB) BENCH, AGRA**

**BEFORE: SHRI M BALAGANESH, ACCOUNTANT MEMBER
AND
SHRI SUNIL KUMAR SINGH, JUDICIAL MEMBER**

**ITA No. 546/Agr/2025
Assessment Year: 2023-24**

ITO, Aayakar Bhawan, Sanjay Place, Agra- 282002	Vs.	Sumit Jindal, 317/2, Awadheshpuri, Kamla Nagar, Agra-282004, U.P
PAN : AJEPJ3507E		
(Appellant)		(Respondent)

Assessee by	Shri Shashi Kumar Agarwal, CA.
Department by	Shri Anil Kumar, Sr DR

Date of hearing	21.01.2026
Date of pronouncement	17.04.2026

ORDER

PER: SUNIL KUMAR SINGH, JM.

The appellant revenue has preferred this appeal against the impugned order dated 19.09.2025 passed in Appeal No NFAC/2022-23/10448582 u/s. 250 of the I.T. Act, 1961 (hereinafter referred to as the "Act") by the Id CIT(A) for the A.Y. 2023-24, wherein Id CIT(A) has deleted the impugned addition of Rs. 2,35,22,807/- made vide assessment order dated 06.03.2025 passed u/s. 143(3) r.w.s. 144 B of the Act.

2. The brief facts state that the respondent assessee filed his return of income for A.Y. 2023-24 on 23.09.2023, declaring total income of Rs. 4,98,990/- the case was selected for complete scrutiny under CASS on

account of large cash payments made for credit card purchases. Statutory notices u/s. 143(2) and 142(1) of the Act were issued and served upon the assessee. Initially, assessee did not respond to such notices however, he responded against show cause notice sent by the department u/s. 144 etc and filed part of response submitting that he is in the business of collecting insurance premiums from clients in cash or through bank transfer. Subsequently, he would pay the insurance premiums through his credit cards held with Axis Bank, HDFC Bank and SBI cards. Ld assessing officer found that assessee did not submit bank statements for verification. Assessing officer procured the same for the relevant period only from Axis and HDFC Banks only. SBI did not respond. On the basis of total credits of Rs. 2,35,22,807, the same was added by treating it as unexplained money u/s. 69A of the Act.

3. Aggrieved assessee preferred an appeal before Id CIT(A), who deleted the aforesaid additions made vide assessment order dated 06.03.2025.

4. Aggrieved revenue had preferred this second appeal on the ground that Id CIT(A) has erred in deleting the addition of Rs. 2,35,22,807/- on account of unexplained cash deposit and other credits in assessee's bank accounts without verification.

5. We have perused the records and heard Id Sr. DR for the appellant revenue and Id AR for the respondent assessee.

6. Ld DR for the appellant revenue has submitted that there were huge cash deposits by way of cash and cheque in the account of assessee. The amount deposited in account was not matching with the said insurance premiums as claimed by the assessee. Ld CIT (DR) supports the assessment order, praying to allow appeal.

7. Ld Representative for the assessee has submitted that the assessee is in the business of collecting insurance premiums from clients in cash and through bank transfers. He pays the insurance premiums through his credit cards held with Axis Bank, HDFC Bank & SBI cards. Ld AR has further submitted that a detailed submissions, explanations were filed before the first appellate authority, who found assessee's claim cogent, convincing and satisfactory and rightly deleted the additions made by the assessing officer.

8. The main point for consideration under appeal is as to whether Id CIT(A) has erred in deleting addition of Rs. 2,35,22,807/- made in the income of the assessee on account of unexplained cash deposits and from credits in assessee's bank accounts without verification?

9. We notice that during the assessment proceedings, the assessee furnished the list of names of persons in whose names premiums were

paid. The assessing officer chose to examine the credits of nine persons in HDFC Bank statement which are narrated at Page 3 to 4 of assessment order. Ld assessing officer observed that most of the payments were sent to National Insurance Company. However, entire payments are in round figures like 20,000/-, 25,000/-, 30,000/-, 50,000/-, etc, whereas payments towards insurance premiums were in odd figures as per the premium receipts issued to the policy holders.

10. Assessee, during the first appellate proceedings explained that the payments through credit cards were to be made through a portal called “Unified Business Portal” of National Insurance Company, where company keeps deducting specific premium accounts from their pool account. Nothing adverse against this submission was brought before the first appellate authority by the revenue. Assessee also provided confirmation from general insurance agent through Mr. Vikas Garg along with the copy of the ITR of Mr. Vikas Garg to support the identity and capacity of insurance agent under whom, assessee was said to be working. The assessee submitted to be a payment facilitator of the general insurance agents such as Vikas Garg, who deal with the insurance companies. We also notice that the A.O. has not rejected the books of accounts of the assessee u/s. 145(3) of the Act, which comprises the entire transactions.

11. The relevant paras 6.1 and 6.2 of the impugned order read as under:

“6.1 I have considered the facts of the case and examined the documents uploaded by the appellant at the time of filing of appeal. The appeal is being decided by considering the same as below:

6.2 The facts of the case are that the appellant is maintaining various bank accounts. During assessment proceedings the AO noticed that there are substantial transactions in these bank accounts which don't match with the profile of the appellant. Accordingly he called for certain details and explanations about the sources and details of the credits to these bank accounts and payments made through credit cards. The appellant submitted his reply and details. The Assessing Officer considered the same, accepted it partly and treated an amount of Rs. 2,35,22,807/- as unexplained. Accordingly the same was deemed to be unexplained money of the appellant under section 69A and added to its income. The appeal is against this addition.

During appeal proceedings information and explanations about these deposits and credits were asked for from the appellant. He has submitted the same. On his request VC was provided which was attended by his representative. Subsequently certain further clarifications were asked for which were duly provided by the appellant and have been reproduced above. From the perusal of details furnished it is observed that all the credits into the bank accounts have come on account of insurance premium from various persons/agents, interbank transfers, transactions with two forms in which the appellant is a partner and some other personal transactions with relative and friends. Detailed explanations regarding the same have been furnished by the appellant. On going through the same it is observed that all the transactions have been duly explained by him. In view of the same, there is no amount which remains unexplained and liable to be treated as unexplained money. Whatever income he has derived out of these transactions has been shown and assessed to tax. Accordingly the additions deserve to be deleted and the appellant deserves complete relief. In view of the same the addition is deleted and all the grounds of appeal are allowed.”

12. The detailed submissions made by the respondent assessee before the first appellate authority are part of the impugned order which have been thoroughly examined by the Id CIT(A) and the relevant questions were appropriately answered by the appellant. Ld CIT(A) was on a definite conclusion that all the credits that came in the assessee's bank accounts,

came on account of insurance premiums from various persons or agents, interbank transfers, transactions with two firms in which the appellant was a partner and some other personal transactions with relatives and friends. As such, no amount remained unexplained before the first appellate authority, which could be treated as unexplained money. We have no reason to interfere in the speaking and well reasoned impugned order passed by Id CIT(Appeals). We find that Id CIT(A) has rightly deleted the said additions. The aforesaid point is accordingly determined in negative against the appellant revenue and in favour of the respondent assessee.

13. In the result, the revenue's appeal is dismissed.

Order pronounced on - 17.04.2026

**Sd/-
(M BALAGANESH)
ACCOUNTANT MEMBER**

**Sd/-
(SUNIL KUMAR SINGH)
JUDICIAL MEMBER**

Dated: 17.04.2026

*Aamir Siddiqui, PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar, ITAT, Agra