

IN THE INCOME TAX APPELLATE TRIBUNAL "A" BENCH, KOLKATA

**BEFORE SHRI RAJESH KUMAR, AM
AND
SHRIPRADIP KUMAR CHOUBEY, JM**

**ITA No.304/KOL/2026
(Assessment Year: 2020-21)**

Baidyanath Dutta
Vidyasagar Para, Bishnupur S.O.
(Bankura), Vishnupur,
Bankura-722122, West Bengal

Vs.

ITO, Ward 3(1)
Aayakar Bhawan,
Chandmari Danga,
Bankura-722101, West Bengal

(Appellant)

(Respondent)

PAN No. AGVPD2926P

Assessee by : Shri Manoj Kataruka, AR
Revenue by : Shri Pankaj Pandey, DR

Date of hearing: 22.04.2026
Date of pronouncement: 20.05.2026

ORDER

Per Rajesh Kumar, AM:

This is an appeal preferred by the assessee against the order of the National Faceless Appeal Centre, Delhi (hereinafter referred to as the "Ld. CIT(A)") dated 15.12.2025 for the AY 2020-21.

2. The issue raised by the assessee in the ground nos. 2 & 3 which are as under:-

"2) That on the facts and in the circumstances of the case the action of the CIT(A) confirm the addition made by the AO Rs.2,31,00,415/- as unexplained money u/s 69A on certain hypothesis contrary to the material evidences on record renders the addition has arbitrary, excessive and bad in law.

3) That on the facts and in the circumstances of the case the action of the CIT(A) to remand it back to AO the addition made of Rs.4,23,420/- as unexplained income even though such income was already considered as income in the original return is erroneous and bad in law."



3. The facts in brief are that the assessee is a business correspondent of bank of India. The Id. AO received information from insight portal under e-verification scheme, 2021 that assessee has been identified under the said scheme with potential tax liability as the assessee was involved in certain financial transactions. Accordingly, the notice u/s 148 of the Act was issued on 28.03.2024 for reopening the assessment u/s 147 of the Act. The Id. AO noted that the total deposit in the assessee's bank account were ₹2,41,08,740/-. In the return of income filed the assessee reflected the source of income as life insurance and other activity and has shown turnover of ₹10,08,325/-. Besides, the assessee showed income u/s 44AD of the Act to the tune of ₹31,61,000/-. Therefore, there is a difference of ₹2,31,00,415/- and accordingly, assessee was called upon to explain the same. The assessee did not make any compliance during the course of assessment proceedings and consequently the Id. AO added ₹2,31,00,415/- in respect of unexplained credits and cash withdrawals to the income of the assessee u/s 69A of the Act.
4. The Id. CIT (A) in the appellate proceedings, confirmed the addition as made by the Id. AO.
5. After hearing the rival contentions and perusing the materials available on record, we find that undisputedly the assessee is a business correspondent of Bank of India. A certificate from Bank of India dated 21.03.2025, is available at page no.108 of the paper book which is extracted below:



Relationship beyond banking

Head Office : Star-House, C5, "G"-Block, Bandra-Kurla Complex, Bandra(East), Mumbai

Bishnupur Branch , College Road , PO – Bishnupur ,Dist- Bankura PIN-722122

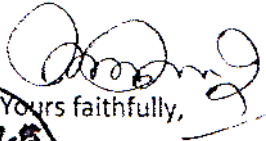
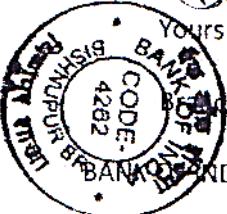
E-mail : Bishnupur.Bardhaman@bankofindia.co.in

Ref: BR/Bishnupur /2024-25/148

Date :21.03.2025

To Whom it may concern

This is to acknowledge that Mr .Baidyanath Dutta is a business correspondent of Bank Of India, Bishnupur Branch. He is providing financial and banking services to many customers in near by unbanked areas as per guidelines. He provides A/C opening to customers, deposit money in their A/C, Facilitate cash withdrawal from their A/C through AEPS services, etc. For this purpose all the transactions are carried out through his OD A/C 42622770000001 hence all those transactions are reflected in his ITR. So all the transactions carried out through this A/C are genuine in nature, as per banking instructions no personal transactions to be carried out in this A/C.

Yours faithfully,

 Branch Manager

 BANK OF INDIA BISHNUPUR BRANCH

6. A perusal of the above certificate reveals that the assessee is a business correspondent of Bank of India and is doing transactions of deposits and withdrawals on behalf of bank of India. The assessee received money from the customers on behalf of bank of India and deposited the same in his account with bank of India and thereafter the amounts are remitted to the bank of India account. A certificate is also attached at page no.107, which certified that the assessee has been appointed as business correspondent since 15.12.2010 and it is further stated that he is authorized to open SB account, recovery of



loans accounts, opening of term deposits accounts. We note that the transactions done by the assessee were on behalf of the bank of India. Therefore, the Id. AO's action in treating the same as unexplained money u/s 69A of the Act is incorrect and cannot be sustained. Similarly, the order of Id. CIT (A) upholding the order of Id. AO is wrong and cannot be sustained. Consequently, we set aside the order of Id. CIT (A) on this issue and direct the Id. AO to delete the addition. The ground no. 2 is allowed.

7. So far as the addition of ₹4,23,420/- is concerned, we note that the assessee has earned ₹4,23,420 as LIC from various companies. The Id. AO added the same when the assessee did not respond as unexplained income of the assessee, which was confirmed by the Id. CIT (A). In our opinion, the assessee suo moto declared the income in the return of income filed by the assessee. Therefore, the action of the Id. AO as sustained by the Id. CIT (A) is not correct. Accordingly, we set aside the order of Id. CIT (A) and direct the Id. AO to delete the addition. The ground no. 3 is allowed.
8. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 20.05.2026.

Sd/-
(PRADIP KUMAR CHOUBEY)
(JUDICIAL MEMBER)

Sd/-
(RAJESH KUMAR)
(ACCOUNTANT MEMBER)

Kolkata, Dated: 20.05.2026

Sudip Sarkar, Sr.PS



Copy of the Order forwarded to:

1. The Appellant
2. The Respondent
3. CIT
4. DR, ITAT,
5. Guard file.

BY ORDER,

True Copy//

Asst. Registrar
Income Tax Appellate Tribunal,
Kolkata