

IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” BENCH, CHANDIGARH

HYBRID HEARING

HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं. / ITA No.673/CHANDI/2025
(निर्धारण वर्ष / Assessment Year: 2017-18)

Shri Saurabh Bansal 709B, Aggar Nagar, Ludhiana Punjab – 141001	बनाम/ Vs.	ITO Ward – 6 (1) Aaykar Bhawan, Rishi Nagar, Ludhiana (Punjab) - 141001
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. AHQPB-4699-F		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकीओरसे/ Appellant by	:	Sh. Sudhir Sehgal (Advocate) – Ld. AR
प्रत्यर्थीकीओरसे/ Respondent by	:	Dr. Ranjit Kaur (Addl. CIT) – Ld. Sr. DR

सुनवाईकीतारीख/ Date of Hearing	:	09-04-2026
घोषणाकीतारीख / Date of Pronouncement	:	15-04-2026

आदेश / ORDER

1. Aforesaid appeal by assessee for Assessment Year (AY) 2017-18 arises out of an order of learned Commissioner of Income Tax (Appeals), NFAC [CIT(A)] dated 21-03-2025 in the matter of an intimation issued by CPC u/s 143(1) followed by rectification order u/s 154. Having heard rival submissions and upon perusal of case records, the appeal is disposed-off as under. The sole grievance of the assessee is confirmation of addition of Rs.14,69,372/-.
2. The impugned addition has been made by CPC while processing the return of income u/s 143(1). The assessee filed rectification u/s 154 which stood rejected. The facts are that the assessee received

maturity proceeds on SBI LIC policy for Rs.14,91,300/- on which tax was deducted by insurance company for Rs.14,913/-. The net proceeds of Rs.14,69,372/- was not offered to tax by the assessee and CPC made this addition. The assessee stated that the total premium paid on the LIC policy was Rs.12,00,029/- whereas net amount received on maturity was for Rs.11,47,540/- and therefore, there was effective loss of Rs.52,489/-. The Ld. CIT(A) noted that the assessee took this policy on 02-01-2012 for sum assured of Rs.12.31 Lacs. The premium was Rs.2,99,856/- which exceed 20% of the sum assured. Therefore, the assessee was not entitled for deduction u/s 10(10D) and maturity proceeds including surrender value would be taxable in the hands of the assessee. There was no provision in the act for claiming loss on insurance policy. As per the extant provisions, the maturity proceeds would either be taxable or non-taxable depending upon relevant exemption provisions. Therefore, the same was rightly brought to tax. Aggrieved, the assessee is in further appeal before Tribunal.

3. The basic facts are not in dispute. It is crystal clear that the premium of the policy exceeds 20% of the sum assured. The provisions of Sec.10(10D) provide that in case of a life insurance policy issued after 01-04-2003 but on or before 31-03-2012, if the premium payable exceed 20% of the actual sum assured, the maturity proceeds are taxable in the hands of the insured. Thus, it is the gross maturity receipts which are brought to tax. The extant statutory provisions do not envisage deduction of insurance premium from the

maturity amount. Even otherwise, the premium paid under the policy could not be said to be an expenditure incurred wholly to earn the maturity proceeds. The premium paid under the policy is to be considered as a consideration to secure the life of the assured. Therefore, the adjudication of Ld. CIT(A) could not be faulted with.

4. The appeal stands dismissed.

Order pronounced on 15th April, 2026.

-Sd-
(MANOJ KUMAR AGGARWAL)
ACCOUNTANT MEMBER

AS

Dated: 15-04-2026

आदेश की प्रतिलिपि अग्रेषित /Copy of the Order forwarded to :

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR

ITAT CHANDIGARH