



**IN THE INCOME TAX APPELLATE TRIBUNAL, RAJKOT BENCH, RAJKOT
BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER.**

&

DINESH MOHAN SINHA, JUDICIAL MEMBER

आयकर अपील सं./ITA No.135/RJT/2025

निर्धारण वर्ष / Assessment Year: (2018-19)

(Hybrid Hearing)

Shobhana Doshi 68 Prices Avenue Kingsbury, London-NW99JD, Kingdom-999999	Vs.	The AC/DC Int. Txn. Rajkot. Room No.312, Income tax Office, Amruta Estate Building, Near Girnar Cinema, M.G. Road, Rajkot.
स्थायी लेखासं./जीआइआरसं./PAN/GIR No.: BESP0115G		
(Appellant)		(Respondent)

Appellant by : Ms. Devina Patel, Ld. AR

Respondent by : Shri Sanjay Punglia, Ld. CIT. (DR)

Date of Hearing : 16/07/2025

Date of Pronouncement : 28/07/2025

आदेश / ORDER

Per, Dr. Arjun Lal Saini AM;

Captioned appeal filed by the assessee, pertaining to Assessment Year 2018-19, is directed against the order passed under section 144C(5) r.w.s.254/260A of the Income Tax Act, 1961 (hereinafter referred to as “the Act”) by Dispute Resolution Panel-2 Mumbai, dated 21/11/2024, and read with order giving effect to the DRP-2, Mumbai, passed, u/s 143(3) r.w.s 147 r.w.s. 144C(13), r.w.s. 144C(5) of the Act by the Assessing Officer, dated 31.01.2025.

2. Grounds of appeal raised by the assessee are as follows:



“1. The learned CIT (DRP-2, M-3, Mumbai erred in upholding and in directing the assessing officer in making addition of Rs. 25,00,000/-, as unexplained investment u/s 69A of the Act, by failing to appreciate that source of fixed deposit of said amount was duly explained by the Appellant and thereby levying tax at rates specified u/s 115BBE of the Act.

2.The learned CIT (DRP-2), M-3, Mumbai erred in upholding and directing the A.O. in making addition of Rs.1,094/- as by way of interest income.

3.The appellant craves leave to add, amend, alter and withdraw any ground of appeal anytime up to the hearing of this appeal.”

3. The facts of the case which can be stated quite shortly are as follows: The assessee had not originally filed the return of income for assessment year (AY) 2018-19. Based on the information flagged in his case, notice u/s 148 of the Act was issued to the assessee. In response thereto, the assessee did not file any return of income. The Assessing Officer issued the draft assessment order dated 20.03.2023 u/s. 144C of the Act, proposing assessment of total income at Rs.5,43,76,660/-. However, the assessee could not file the objections within statutory time limit before the DRP-2, WZ, Mumbai. Thus, on account of failure of the assessee to adhere to the procedure, the Assessing Officer completed the assessment and passed the final assessment order dated 29.05.2023 u/s 147 r.w.s 144 of the Act with assessed income at Rs.5,43,76,660/-. In above case against order of DRP dated 29.12.2023, the assessee had filed writ application to Gujarat High Court. In its application, the assessee has taken plea that it has already communicated DRP on 18.04.2023 that it will file appeal against draft assessment order. However, intimation about DRP Filing by the assessee was found delayed by one day (1-day) and accordingly the DRP has rejected assessee's application and since the Assessing Officer had passed Final Assessment Order. The above Final assessment order as well as Direction of the Dispute Resolution Panel have been quashed by the Hon'ble Gujarat High Court. The Hon'ble High Court remanded back the case to DRP to pass fresh directions based on assessee's submission. Accordingly, the case has been taken into work flow, and has been



heard by Hon`ble DRP. In the course of proceedings before Hon`ble DRP, in response to the notice issued, the Authorised Representative, of the assessee, attended the hearing on behalf of the assessee and explained the stand of the assessee, with documentary evidence and filed paper book with relevant documents/ evidence.

4. The assessee is non-resident during the year under consideration and was residing in United Kingdom. In the course of draft assessment proceedings, the Assessing Officer held that the assessee has failed to explain the sources of funds for fixed deposit (FDs). Aggrieved with the variations, the assessee had approached the Hon`ble DRP. Before the Hon`ble DRP, the assessee provided explanations for related fixed deposit (FD) of Rs.25,00,000/-. However, Hon`ble DRP held that assessee had provided Account Nos. 0157051000020164 and 0157051000020169), but not for the account flagged by the Assessing Officer, that is, Account No. 0157101000014957. The explanation of transfer does not explain the source as GBP 25000 would not tantamount to Rs. 25,00,000/-, during financial year (F.Y.) 2017-18. Therefore, Hon`ble DRP found the explanation of assessee, unsatisfactory and therefore the addition of Rs.25,00,000 was upheld by Hon`ble DRP. Thereafter, the Assessing Officer passed the order giving effect to the Hon`ble DRP-2 Mumbai, u/s 144C(13) of the Act, dated 31.01.2025, therefore, the assessee is in further appeal before us.

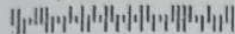
5. Ms. Devina Patel, Learned Counsel for the assessee, begins by pointing out that on 13-05-2015, remittance of 25,000 GBP made by assessee, from HSBC Bank, London to South Indian Bank-India, for that she took the Bench on page No. 31 of the paper book wherein HSBC Bank statement is placed, which is reproduced below:



HSBC

079871_133 V 1 00009 10484 8614 37500

Mrs S Doshi &
Miss P Doshi
68 Princes Avenue
London
NW9 9JD



Our Ref: GBN13055ANC76D8H
(Please quote on all correspondence)

13-MAY-15

ADVICE OF DEBIT

We advise you that your account 402016 81889982 has been debited with the following:

Amount Debit: 25,000.00 GBP Chgs: 30.00 GBP
Paid/Original Amt: 25,000.00 GBP Exchange Rate: NONE USED
DB Value Date: 20150513 CR Value Date: 20150513

Account With Bank Code
SOININ55XXX

Senders Reference
18194C601QFE

Account With Bank:
SOUTH INDIAN BK COCHIN
DHARMODAYAM BUILDING, FIRST FLOOR;
SHANMUGHAM ROAD
KOCHI

Related Reference:

Ordering Bank:

Beneficiary Bank Code:

Beneficiary Bank:

By Order Of:
Miss Poonam Doshi & Mrs S
68 Princes Avenue
London
NW9 9JD

Account Number:
0147050000010164

Instructions Received From:
HSBCNET
BUSINESS HEXAGON

Beneficiary :
SHOBHNA DOSHI
68 PRINCESS AVENUE
LONDON
NW9 9JD

Bank to Bank Information:

Details of Payment:
REASON FOR PAYMENT FOR THE PURCHASE
PROPERTY IN INDIA
CREDIT FOR NRE ACCOUNT HELD
ATTENTION FOR PUNE BRANCH

HSBC Bank plc
Regional Service Centre Europe, 62-76 Park Street, Southwark, London, SE1 9DZ
Tel: 020 7530 1212

Registered in England number 14259. Registered Office: 8 Canada Square, London E14 5AG.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.



6. Ms. Patel, further stated that on 14-05-2015, there is deposit of 25,000 GBP at the exchange rate of Rs.100.25 in A/c No. 147050000010164 with South Indian Bank, India, and to explain this, she took us through paper book page No. 34, which is reproduced below:

SOUTH INDIAN Bank		IFSC : SIBL0000157 P.B.NO. 16689 266 LINKING ROAD 1ST FLOOR BANDRA WEST MUMBAI MUMBAI SUBURBAN MAHARAS Ph: 022-26423850 FAX: 26451997		34	
MRS. SHOBHNA DOSHI & KIRITKUMAR MOHANLAL .. 68 PRINCES AVENUE KINGSBURY LONDON NW99JD		DATE: 06-04-2023 PAGE: 3 CUSTOMER ID: A03174101 TYPE: SAVINGS BANK - NRE A/C NO: 0147050000010164 CURRENCY CODE: INR Mode of Opr.: EITHER OR SURVIVOR			
UNITED KINGDOM, PIN:0000 kirtidoshi1@gmail.com (NOMINATION REGISTERED)		Statement Of Account For The Period From 01-01-2010 To 31-03-2017			
Date	Particulars	Chq.no.	Withdrawals	Deposits	Balance
07-05-14	T Tran Particular 2 For Interest Tran			65,000.00	3,63,937.16cr
08-05-14	Transfer: Fmw 51.9580/p Une Main		3,60,228.00		3,709.16cr
05-06-14	Transfer: Bill Id : 014 7for00004514/pune Main			5,28,183.00	5,31,892.16cr
16-07-14	Repayment After Renewal OF [0147101000017761]/ Pune Main		5,19,778.00		12,114.16cr
04-09-14	Transfer: Bill Id : 014 7for00006514/pune Main			4,698.00	16,812.16cr
04-03-15	Int.pd:01-03-2014 To 31 -08-2014/pune Main Tes			333.00	17,145.16cr
14-05-15	T Tran Particular 2 For Interest Tran			25,05,284.00	25,22,429.16cr
14-05-15	Int.pd:01-09-2014 To 28 -02-2015/pune Main Tes				
14-05-15	T Tran Particular 2 For Interest Tran				
14-05-15	Gbp/25000@100.25/73/014 7050000/international B Anking Division		25,00,000.00		22,429.16cr
05-06-15	Transfer: To Deposit/pune Main			6,18,875.00	6,41,304.16cr
09-06-15	Repayment After Renewal OF [0147101000017761]/ Pune Main		6,21,098.00		20,206.16cr
04-09-15	Transfer: Bill Id : 014 7for00005115/pune Main			935.00	21,141.16cr
04-03-16	Int.pd:01-03-2015 To 31 -08-2015/pune Main Tes			422.00	21,563.16cr
16-06-16	T Tran Particular 2 For Interest Tran			217.00	21,780.16cr
16-06-16	Int.pd:01-03-2016 To 31				
Page Total:			40,01,104.00	37,23,947.00	21,780.16cr

7. Ms. Patel, also stated that on 07-06-2017, there is transfer of FD amount with interest of Rs.29,41,713/- to South Indian Bank, Mumbai Branch with new number FD No.157101000014957 as against FD No.147101000021032, the



relevant evidence is placed on paper book page No.38, which is reproduced below:

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Page

KIRIT DOSHI

From: <sibalerts@sib.co.in>
Date: Thursday, May 7, 2020 8:16 AM
To: <kiritdoshi1@gmail.com>
Subject: SIB MAIL ALERT

SOUTH INDIAN Bank
Experience Next Generation Banking

Term Deposit Maturity Intimation

Your Deposit with the following details will be maturing o

Depositor Name	MRS SHOBHANA DOSHI
Deposit Account Number	XXXXXXXXXXXX14957
Deposit Type	KALPAKA NIDHI DEPOSIT - NRE
Deposit Currency	INR

Deposit Amount	Deposit Start Date	Period of Deposit	Rate of Interest(% p.a)	Maturity Amount
2500000.00	14-05-2015	60 Month(s) 0 Day(s)	8.75	3853856.0

Maturity Amount (in-words) : INR Thirty Eight Lakh Fifty Three Thousand Eight Hundred

Joint Applicants : POONAM DOSHI ✓

Nominee : KIRIT DOSHI ✓

Note: 1. Interest component of the maturity amount will be subject to TDS, if applicable.
2. As per Income Tax Rules, providing your PAN details to the Bank is mandatory. In case your PAN with the Bank or is incorrect, please visit your nearest SIB Branch to submit/confirm your PAN.
3. Full Account Number Masked for Security Reasons.



8. This way, learned Counsel for the assessee, explained the Bench, the sequence of events, and stated that fixed deposit of Rs.25,00,000/- was made by the assessee out of definite sources and genuineness of the fixed deposit is not in doubt besides, this transaction is old and does not pertain to the assessment year under consideration, that is, it is not a fresh remittance by assessee, therefore addition made by the Hon`ble DRP may be deleted.

9. On the other hand, the Ld. CIT-DR for the Revenue has primarily reiterated the stand taken by the Assessing Officer, which we have already noted in our earlier para and is not being repeated for the sake of brevity.

10. We have heard both the parties and carefully gone through the submission put forth on behalf of the assessee along with the documents furnished and the case laws relied upon, and perused the fact of the case including the findings of the Id DRP/AO and other materials brought on record. We note that Assessing Officer identified a time deposit of Rs.25,00,000/-, credited on 09.06.2017 to Account No.0157101000014957, held with the South Indian Bank. As per Assessing Officer, the assessee failed to explain the source of funds, therefore, the Assessing Officer treated the amount of Rs.25,00,000/-, as unexplained u/s 69A r.w.s 115BBE of the Act. The assessee argued before the Hon`ble DRP that no remittance from the UK was made during the relevant year and asserts that funds relate to past remittances, as per assessee, this FD is transferred from South Indian Bank Pune to Mumbai branch on 07.06.2017 with new FD no. 157101000014957. However, Hon`ble DRP, did not accept the contention of the assessee and upheld the addition made by the Assessing Officer, therefore, assessee is in appeal before us.

11. We have considered submissions made by both the parties and observed that there is merit in the arguments advanced by the Learned Counsel for the assessee. We note that the fixed deposit of Rs.25,00,000/- was opened in the year



2015 out of Rs.25,000 GBP, received in the year, 2015, and was later on, transferred to South Indian Bank, Mumbai Branch, from Pune Branch, on 07-06-2017 with new FD No.157101000014957 in place of FD No.147101000021032 and was maturing in the year 2020. Hence, there was no remittance during the year and no fixed deposit was made during the year by the assessee. It was only transfer of fixed deposit from one branch to another branch of the same bank. The Id. Counsel for the assessee, explained the bench that original source of the impugned fixed deposit is proved to be a remittance from UK, as NRI, in India it is a second receipt hence, not taxable under section 5 of the Act. Moreover, it was received in 2015 and hence in any case, it is not a receipt or an investment for current year, under consideration. Same evidence was filed before the Hon`ble DRP, but Hon`ble DRP had confused, FD number as bank account number, which is not so, hence, we are of the view that addition, so made, should be deleted. We also find that the entire amount is neither taxable during the year nor taxable at all, as it can be traced to funds from NRE account, received from abroad and it was not out of fresh remittance, during the year. Considering the above factual position narrated by the Id. Counsel for the assessee, we are not inclined to accept the contention of the Hon`ble DRP in any manner and hence the addition of Rs.25,00,000/- and interest Rs.1,094/-, so made, are deleted. Hence these ground Nos. 1 and 2 of the assessee are allowed.

12. In the result, appeal filed by the assessee is allowed.

Order pronounced in the open court on 28/07/2025.

Sd/-
(DINESH MOHAN SINHA)
JUDICIAL MEMBER

Rajkot

दिनांक/ Date: 28/07/2025

Dkp Outsourcing Sr.P.S

Sd/-
(Dr. A. L. SAINI)
ACCOUNTANT MEMBER



Copy of the Order forwarded to

1. The Assessee
2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Rajkot
6. Guard File

// True Copy //

By Order

Assistant Registrar/Sr. PS/PS
ITAT, Rajkot