

IN THE INCOME TAX APPELLATE TRIBUNAL

"I" BENCH, MUMBAI

BEFORE SHRI OM PRAKASH KANT, ACCOUNTANT MEMBER

SHRI SANDEEP SINGH KARHAIL, JUDICIAL MEMBER

ITA No.6318/MUM/2025
(Assessment Year: 2020-21)

Nevin H. Bharwani,
5th Floor, Noor-E-Rehmat,
50 B.J. Road, Bandra West,
Mumbai
PAN : ALRPB8270H

..... Appellant

v/s

Income Tax Officer (International Taxation),
Ward – 1(2)(1),
Room No.530D, 5th Floor,
Kautilya Bhavan, C-41 to C-43,
G-Block, Bandra Kurla Complex,
Bandra East,
Mumbai - 400051

..... Respondent

Assessee by : Shri Asif Karmali
Revenue by : Shri Krishna Kumar, Sr.DR

Date of Hearing – 21/01/2026

Date of Order - 30/01/2026

ORDER

PER SANDEEP SINGH KARHAIL, J.M.

The assessee has filed the present appeal against the impugned final assessment order dated 21.08.2025, passed under section 147 read with section 144C(13) of the Income Tax Act, 1961 (*"the Act"*), pursuant to the directions issued by the learned Dispute Resolution Panel-2, Mumbai, [*"learned DRP"*], under section 144C(5) of the Act, for the assessment year 2020-21.

2. In this appeal, the assessee has raised the following grounds: -

"1. REASSESSMENT PROCEEDINGS:

1.1 The Hon'ble Dispute Resolution Panel (hereinafter referred to as "the DRP") failed to appreciate that the Income tax Officer (International tax) 1(2) - 1, Mumbai ("the J.A.O.") erred in -

- passing the order under section 148A(d) of the Income tax Act, 1961 (hereinafter referred to as "the Act") dated 21st March 2024;
- and issuing notice under section 148 of the Act dated 21st March 2024

in violation of the provisions of section 151A of the Act read with e-Assessment of Income Escaping Assessment Scheme, 2022.

1.2 It is submitted that in the facts and in the circumstances of the case, and in law, the order passed by the J.A.O under section 148A(d) of the Act as well as the notice issued under section 148 of the Act by J.A.O. are both bad in law and liable to be quashed and set aside.

1.4 It is submitted that in the facts and the circumstances of the case, and in law, the reassessment order so passed by the J.A.O is bad, illegal and void, as mandatory conditions for initiation were not fulfilled.

1.5 It is prayed that the reassessment being bad in law ought to be held as null and void.

WITHOUT FURTHER PREJUDICE TO THE ABOVE:**2. ADDITION U/S. 69 OF THE ACT:**

2.1 The DRP erred in directing the J.A.O. to confirm the addition of Rs. 1,75,00,000/- being investment in Fixed Deposit held with DCB Bank to the income of the Appellant under section 69 of the Act.

2.2 While doing so, the DRP failed to appreciate that, the J.A.O in the remand report filed by him in the course of proceedings before the DRP submitted that, based on additional evidences furnished by the Appellant the source of fixed deposit was prima facie correct;

2.3 It is submitted that in the facts and the circumstances of the case, and in law, no such addition was called for.

3. ADDITION U/S. 69A OF THE ACT

3.1 The DRP erred in rejecting the objection raised by the Appellant against the findings arrived by the J.A.O. in his draft assessment order wherein the J.A.O. made an addition of Rs. 28,40,000/- being amount received by the Appellant from her sister to the income of the Appellant under section 69A of the Act.

3.2 It is submitted that in the facts and the circumstances of the case, and in law, no such addition was called for."

3. Grounds No.1.1 to 1.5 were not pressed during the hearing. Accordingly, these grounds are dismissed as not pressed.

4. Grounds No.2.1 to 2.3, raised in assessee's appeal, pertain to the addition made under section 69 of the Act on account of investment in fixed deposits held with the Development Co-op Bank Ltd. ("*DCB Bank*").

5. The brief facts of the case pertaining to this issue are emanating from the record are: Pursuant to the information in accordance with Risk Management Strategy, it was noticed that the assessee has invested an amount of Rs.1.75 crore with DCB Bank with time deposit during the financial year relevant to the year under consideration. Accordingly, on the basis of the information, proceedings under section 148A of the Act were initiated, and an order under section 148A(d) of the Act was passed, and a notice under section 148 of the Act was issued on 21.03.2024. In response to the notice issued under section 148 of the Act, the assessee filed her return of income on 03.04.2024, declaring a total income of Rs.45,44,530/-. During the assessment proceedings, in response to the statutory notices, the assessee submitted that the investment in time deposit amounting to Rs.1.75 crore was out of the gift received from her mother. The assessee also provided the copy of the gift deed. However, it was noticed that the same did not have any details, such as PAN of the donor, bank account details, witness of the deed, etc. Accordingly, in order to establish the identity, genuineness and creditworthiness of the donor, the assessee was requested to submit details such as PAN of the donor, copy of the return of income of the donor, copy of bank account statement of the donor reflecting the transfer of gift and the

details of source for making a gift of Rs.1.75 crore to the assessee. Despite opportunities being granted, the assessee failed to furnish these details. Notice under section 133(6) of the Act was also issued to the DCB Bank calling for bank account details, however, no response was also received from the Bank. Since the assessee failed to satisfactorily substantiate the nature and source of money invested in time deposit, notice was issued to the assessee to show cause as to why the investment of Rs.1.75 crore in time deposit should not be considered as unexplained investment under section 69 of the Act. In response, the assessee submitted that the sum of Rs.1.75 crore was received from her mother and the same is duly reflected in her bank account statement. The assessee submitted that her mother has given the gift of an equal amount to her sister. In order to prove that her mother has given the said gift out of her own fund, Form 26AS of her mother for the assessment years 2013-14 to 2019-20, wherein interest was paid by the DCB Bank on the fixed deposits, was furnished by the assessee. Thus, the assessee submitted that out of the fixed deposits matured during the year, her mother gave a gift of Rs.1.75 crore to the assessee.

6. The Assessing Officer ("AO"), vide draft assessment order dated 18.02.2025 passed under section 144C(1) of the Act, disagreed with the submissions of the assessee on the basis that the source of funds has not been explained by the assessee and the assessee has not been able to establish the genuineness and creditworthiness of the donor. The AO further noted that the details, such as PAN of the donor, copy of the return of income of the donor, bank statement showing source for gift has also not been

furnished by the assessee. Further, it was held that from the Form 26AS furnished by the assessee, it cannot be ascertained that the interest paid by the DCB Bank is on account of fixed deposits held by her mother, and the same became the source of creation of the time deposit by the assessee. Accordingly, the AO held that the investment in time deposit is unexplained investment under section 69 of the Act and proposed to tax the same under section 115BBE of the Act.

7. During the proceedings before the learned DRP, pursuant to the objections filed against the draft assessment order, the assessee filed additional evidences in the form of bank statement of assessee's mother to show that the gift of Rs.1.75 crore by the mother to the assessee was pursuant to maturity of certain fixed deposits held by the mother. These additional evidences furnished by the assessee were forwarded to the AO and remand report was sought. In its remand report, the AO observed as follows:

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9. The report of AO is under-

a) Time Deposit of Rs.1,75,00,000/-

On perusal of the bank statement of assessee's mother, it is seen that there are 10 Time deposits were closed on 04.07.2019 and total sum of Rs.3,32,16,628/- was credited in assessee's mother's account No.00510900001903 maintained with DCB Bank.

Sl. No.	Particulars	Debit	Credit
01	04.07.2019	2,18,000.00	2,18,000.00
02	04.07.2019	4,27,000.00	4,27,000.00
03	04.07.2019	2,26,211.00	2,26,211.00
04	04.07.2019	2,01,000.00	2,01,000.00
05	04.07.2019	4,00,000.00	4,00,000.00
06	04.07.2019	1,00,000.00	1,00,000.00
07	04.07.2019	1,00,000.00	1,00,000.00
08	04.07.2019	1,00,000.00	1,00,000.00
09	04.07.2019	1,00,000.00	1,00,000.00
10	04.07.2019	1,00,000.00	1,00,000.00
11	04.07.2019	1,00,000.00	1,00,000.00
12	04.07.2019	1,00,000.00	1,00,000.00
13	04.07.2019	1,00,000.00	1,00,000.00
14	04.07.2019	1,00,000.00	1,00,000.00
15	04.07.2019	1,00,000.00	1,00,000.00
16	04.07.2019	1,00,000.00	1,00,000.00
17	04.07.2019	1,00,000.00	1,00,000.00
18	04.07.2019	1,00,000.00	1,00,000.00
19	04.07.2019	1,00,000.00	1,00,000.00
20	04.07.2019	1,00,000.00	1,00,000.00
21	04.07.2019	1,00,000.00	1,00,000.00
22	04.07.2019	1,00,000.00	1,00,000.00
23	04.07.2019	1,00,000.00	1,00,000.00
24	04.07.2019	1,00,000.00	1,00,000.00
25	04.07.2019	1,00,000.00	1,00,000.00
26	04.07.2019	1,00,000.00	1,00,000.00
27	04.07.2019	1,00,000.00	1,00,000.00
28	04.07.2019	1,00,000.00	1,00,000.00
29	04.07.2019	1,00,000.00	1,00,000.00
30	04.07.2019	1,00,000.00	1,00,000.00
31	04.07.2019	1,00,000.00	1,00,000.00
32	04.07.2019	1,00,000.00	1,00,000.00
33	04.07.2019	1,00,000.00	1,00,000.00
34	04.07.2019	1,00,000.00	1,00,000.00
35	04.07.2019	1,00,000.00	1,00,000.00
36	04.07.2019	1,00,000.00	1,00,000.00
37	04.07.2019	1,00,000.00	1,00,000.00
38	04.07.2019	1,00,000.00	1,00,000.00
39	04.07.2019	1,00,000.00	1,00,000.00
40	04.07.2019	1,00,000.00	1,00,000.00
41	04.07.2019	1,00,000.00	1,00,000.00
42	04.07.2019	1,00,000.00	1,00,000.00
43	04.07.2019	1,00,000.00	1,00,000.00
44	04.07.2019	1,00,000.00	1,00,000.00
45	04.07.2019	1,00,000.00	1,00,000.00
46	04.07.2019	1,00,000.00	1,00,000.00
47	04.07.2019	1,00,000.00	1,00,000.00
48	04.07.2019	1,00,000.00	1,00,000.00
49	04.07.2019	1,00,000.00	1,00,000.00
50	04.07.2019	1,00,000.00	1,00,000.00
51	04.07.2019	1,00,000.00	1,00,000.00
52	04.07.2019	1,00,000.00	1,00,000.00
53	04.07.2019	1,00,000.00	1,00,000.00
54	04.07.2019	1,00,000.00	1,00,000.00
55	04.07.2019	1,00,000.00	1,00,000.00
56	04.07.2019	1,00,000.00	1,00,000.00
57	04.07.2019	1,00,000.00	1,00,000.00
58	04.07.2019	1,00,000.00	1,00,000.00
59	04.07.2019	1,00,000.00	1,00,000.00
60	04.07.2019	1,00,000.00	1,00,000.00
61	04.07.2019	1,00,000.00	1,00,000.00
62	04.07.2019	1,00,000.00	1,00,000.00
63	04.07.2019	1,00,000.00	1,00,000.00
64	04.07.2019	1,00,000.00	1,00,000.00
65	04.07.2019	1,00,000.00	1,00,000.00
66	04.07.2019	1,00,000.00	1,00,000.00
67	04.07.2019	1,00,000.00	1,00,000.00
68	04.07.2019	1,00,000.00	1,00,000.00
69	04.07.2019	1,00,000.00	1,00,000.00
70	04.07.2019	1,00,000.00	1,00,000.00
71	04.07.2019	1,00,000.00	1,00,000.00
72	04.07.2019	1,00,000.00	1,00,000.00
73	04.07.2019	1,00,000.00	1,00,000.00
74	04.07.2019	1,00,000.00	1,00,000.00
75	04.07.2019	1,00,000.00	1,00,000.00
76	04.07.2019	1,00,000.00	1,00,000.00
77	04.07.2019	1,00,000.00	1,00,000.00
78	04.07.2019	1,00,000.00	1,00,000.00
79	04.07.2019	1,00,000.00	1,00,000.00
80	04.07.2019	1,00,000.00	1,00,000.00
81	04.07.2019	1,00,000.00	1,00,000.00
82	04.07.2019	1,00,000.00	1,00,000.00
83	04.07.2019	1,00,000.00	1,00,000.00
84	04.07.2019	1,00,000.00	1,00,000.00
85	04.07.2019	1,00,000.00	1,00,000.00
86	04.07.2019	1,00,000.00	1,00,000.00
87	04.07.2019	1,00,000.00	1,00,000.00
88	04.07.2019	1,00,000.00	1,00,000.00
89	04.07.2019	1,00,000.00	1,00,000.00
90	04.07.2019	1,00,000.00	1,00,000.00
91	04.07.2019	1,00,000.00	1,00,000.00
92	04.07.2019	1,00,000.00	1,00,000.00
93	04.07.2019	1,00,000.00	1,00,000.00
94	04.07.2019	1,00,000.00	1,00,000.00
95	04.07.2019	1,00,000.00	1,00,000.00
96	04.07.2019	1,00,000.00	1,00,000.00
97	04.07.2019	1,00,000.00	1,00,000.00
98	04.07.2019	1,00,000.00	1,00,000.00
99	04.07.2019	1,00,000.00	1,00,000.00
100	04.07.2019	1,00,000.00	1,00,000.00

Out of the above-mentioned closure proceeds of Time deposits, the assessee's mother transferred (gifted) Rs.1,75,00,000/- to her daughter viz. Nevin Bharwani on 04.07.2019. The assessee had made Time deposit on 05.07.2019 of the same amount received from her mother. The same transaction is verified from bank statement of the assessee.

In view of the above facts, the source of the fixed deposits of Rs.1,75,00,000/- was verified with bank statement of the assessee's mother furnished by the assessee as additional evidences and prima facie seems to be correct.

b) Unexplained money of Rs.28,40,000/-

No supporting documents has been furnished by the assessee in this regard.

10. Submitted for your kind perusal and consideration, the case may be decided on merits.

8. Thus, the AO, after verifying the bank statement of the assessee's mother, found that ten fixed deposits were closed on 04.07.2019 and a total sum of Rs.3,32,16,628/- was credited in the assessee's mother's account maintained with DCB Bank. Further, it was noted that out of the aforementioned closure proceeds of fixed deposits, the assessee's mother transferred (gifted) Rs.1.75 crore to the assessee, and the assessee made time deposits of the said amount on 05.07.2019.

9. Despite the afore-noted remand report furnished by the AO, the learned DRP vide its directions issued under section 144C(5) of the Act held that the

assessee has not adequately satisfied the triple test of identity, creditworthiness and genuineness of the transactions. Accordingly, the learned DRP upheld the addition proposed by the AO vide draft assessment order. In conformity, the AO passed the impugned final assessment order dated 21.08.2025 under section 147 read with section 144C(13) of the Act, making the impugned addition of Rs.1.75 crore under section 69 of the Act. Being aggrieved, the assessee is in appeal before us.

10. We have considered the submissions of both sides and perused the material available on record. In the present case, as the assessee failed to satisfactorily explain the investment of Rs.1.75 crore in time deposit with the DCB Bank and also failed to establish the genuineness and creditworthiness of the donor, the impugned addition under section 69 of the Act has been made. It is the plea of the assessee that the amount of Rs.1.75 crore invested with DCB Bank as a time deposit was received from her mother, who, out of matured fixed deposits, transferred an amount of Rs.1.75 crore to the assessee. It is evident from the record that during the draft assessment proceedings, the assessee failed to furnish the PAN of the donor, copy of the return of income of the donor, bank statement showing the source of gift. However, before the learned DRP, the assessee furnished the bank statement of her mother, and after verifying the details, the AO, vide its remand report, noted that the assessee's mother transferred Rs.1.75 crore to the assessee out of time deposits closed in the mother's account. In order to substantiate, its submissions, the assessee has again placed on record the bank statement of her mother in the paper book filed before us from pages 65-72. From the

perusal of the same, we find that the assessee's mother held various fixed deposits with DCB Bank, and these fixed deposits were opened in financial years 2016-17 and 2017-18. Thus, we are of the considered view that the same sufficiently proves the claim of the assessee that these fixed deposits were matured and out of the same an amount of Rs.1.75 crore was gifted by assessee's mother to her on 04.07.2019. From the bank statement, we find that an equal amount of Rs.1.75 crore was also transferred to the assessee's sister on the same date. Thus, we find merits in the submissions of the assessee that the gift to the assessee arises from the fixed deposits of the mother, which were matured during the year. Accordingly, we are of the considered view that the assessee has sufficiently proved the donor's creditworthiness. Since it is a gift transaction between the mother and her daughter, in the absence of any adverse material being brought on record, the genuineness of this transaction can also not be doubted. Further, no document is placed on record to doubt the identity of assessee's mother. Therefore, we do not find any merits in the addition of Rs.1.75 crore made in the hands of the assessee under section 69 of the Act. Thus, the same is deleted. Accordingly, Grounds No.2.1 to 2.3, raised in assessee's appeal, are allowed.

11. Grounds No.3.1 to 3.2, raised in assessee's appeal, pertain to an addition of Rs.28,40,000/- under section 69A of the Act.

12. Having considered the submissions of both sides and perused the material available on record, we find that during the assessment proceedings on perusal of the bank statement provided by the assessee, it was noticed that the assessee has various credits amounting to Rs.28,40,000/- from her

sister. As per the assessee, these credits were in respect of expenses and maintenance. However, the assessee could not bring on record the bank statement and other details sought of her sister during the assessment proceedings. Accordingly, the AO proposed an addition of Rs.28,40,000/- under section 69A of the Act as the source of funds was not explained, and the assessee also failed to establish the genuineness and creditworthiness of her sister. Even before the learned DRP, the assessee failed to bring any documents on record to support her claim. Accordingly, the additions proposed by the AO were upheld by the learned DRP. Even in the present appeal before us, the assessee has not brought on record any document to rebut the findings of the AO and merely reiterated the submission that her sister is not providing any of the details. Accordingly, in the absence of any material contrary to the findings of the lower authorities, we upheld the addition of Rs.28,40,000/- made by the AO under section 69A of the Act. As a result, Grounds No.3.1 to 3.2, raised in assessee's appeal, are dismissed.

13. In the result, the appeal by the assessee is partly allowed.

Order pronounced in the open Court on 30/01/2026

Sd/-
OM PRAKASH KANT
ACCOUNTANT MEMBER

Sd/-
SANDEEP SINGH KARHAIL
JUDICIAL MEMBER

MUMBAI, DATED: 30/01/2026

Prabhat

Copy of the order forwarded to:

- (1) *The Assessee;*
- (2) *The Revenue;*
- (3) *The PCIT / CIT (Judicial);*
- (4) *The DR, ITAT, Mumbai; and*
- (5) *Guard file.*

By Order

Assistant Registrar
ITAT, Mumbai