

**IN THE INCOME TAX APPELLATE TRIBUNAL, 'C' BENCH  
MUMBAI**

**BEFORE: SHRI AMIT SHUKLA, JUDICIAL MEMBER  
&  
SHRI ARUN KHODPIA, ACCOUNTANT MEMBER**

**ITA No.6920/Mum/2025  
(Assessment Year :2017-18)**

ITO 23(2)(1), Mumbai	Vs.	Priya Barbana Farrokh Irani D/17, Victory Blocks 31-B, Hill Road Bandra West Mumbai
<b>PAN/GIR No.ABBPI0210N</b>		
<b>(Appellant)</b>	..	<b>(Respondent)</b>

Assessee by	Shri Rahul Sarda
Revenue by	Shri Virabhadra Mahajan, SR DR
<b>Date of Hearing</b>	<b>26/03/2026</b>
<b>Date of Pronouncement</b>	<b>29/05/2026</b>

**आदेश / O R D E R**

**PER AMIT SHUKLA (J.M):**

The aforesaid appeal has been filed by the Revenue against the order dated 29.08.2025 passed by the learned CIT(A)/NFAC for the assessment year 2017-18, whereby the learned first appellate authority has deleted the addition of Rs.2,00,91,780/- made by the Assessing Officer under section 69 of the Income Tax Act. The Revenue is further aggrieved on

the ground that the learned CIT(A) had allegedly admitted additional evidences during the course of appellate proceedings in contravention of Rule 46A and, therefore, according to the Revenue, the matter ought to have been restored back to the file of the Assessing Officer.

2. The brief facts borne out from the assessment records are that the assessee had purchased an immovable property for a total consideration of Rs.2,00,91,780/-. During the course of reassessment proceedings initiated under section 147, the Assessing Officer called upon the assessee to explain the source of investment made in the said property. The assessee had explained before the Assessing Officer that she was married to one Mr. Simon Todd, a British citizen and marine engineer employed abroad, and the entire investment in the residential property had been made out of foreign remittances received from her husband through proper banking channels into her NRE account maintained with HSBC Bank. It was also specifically submitted that the payments towards the property had commenced from the year 2012 onwards and the investment substantially pertained to earlier years. However, according to the Assessing Officer, though the assessee had orally explained the source during video conferencing proceedings conducted on 28.03.2022, the documentary evidences were not uploaded within the limited time granted till 3:00 PM on 29.03.2022, and therefore, the

explanation was not accepted. The Assessing Officer accordingly proceeded to treat the entire investment of Rs.2,00,91,780/- as unexplained investment under section 69 and added the same to the income of the assessee.

3. Before the learned CIT(A), the assessee reiterated the entire factual background and furnished complete documentary evidences demonstrating the source of investment. The assessee explained that the property had been acquired out of inward foreign remittances received from her husband from time to time through banking channels and corresponding payments were made to the builder/developer against the agreement for sale. In support thereof, the assessee furnished copies of HSBC bank statements of NRE and NRO accounts, ledger account reflecting year-wise remittances and payments, agreement for sale dated 29.02.2012, possession letter issued by the developer, registered sale deed dated 17.02.2017, e-challans evidencing payment of stamp duty and registration charges, copies of receipts issued by the developer acknowledging payments made from time to time and also confirmations issued by Barclays Bank, London evidencing foreign inward remittances made by the husband of the assessee.

4. From the appellate order, it is seen that the learned CIT(A), after examining the documentary evidences in detail, recorded

a categorical finding that the assessee had furnished copies of relevant HSBC bank account statements wherein the receipts from the husband and corresponding payments to the developer stood duly reflected. The learned CIT(A) further noted that the assessee had filed complete supporting evidences establishing the flow of funds from the husband's foreign account to the assessee's bank account and thereafter towards payment to the builder/developer. The details of inward remittances received from the husband along with corresponding dates of payment to the developer and cheque particulars, as furnished in the paper book and tabulated before the appellate authority, are reproduced hereunder:-

Date of amount received from my Husband	Amount in "Rs"	Date of Payment to the Developers	Amount in "Rs"
12/12/2011	55,92,672.40	21/01/2012	10,30,457
27/03/2012	28,31,568.50	07/03/2012	30,91,372
29/05/2012	17,01,166.00	13/07/2012	24,85,514
01/06/2012	60,27,700.00	09/10/2012	24,85,514
22/06/2012	15,63,962.40	05/03/2013	12,42,757
17/08/2012	12,95,064.00	23/05/2013	10,00,414
21/09/2013	25,00,205.00	31/01/2014	38,74,126
29/10/2013	24,31,385.00	05/11/2014	15,00,000

14/03/2014	99,101.60	07/01/2015	20,00,000
17/10/2014	19,14,706.00	02/07/2015	4,00,000
18/12/2014	23,62,012.80	16/02/2017	8,04,000
		17/02/2017	8,10,000
<b>Total</b>	<b>2,83,19,543.70</b>	<b>Total</b>	<b>2,07,24,154</b>

5. The assessee has also submitted a copy of Agreement for Sale signed on 29<sup>th</sup> February 2012, a copy of letter dated 02<sup>nd</sup> July 2015 issued by the developer M/s Highland Construction Pvt Ltd handing over the possession of the house property, a copy of Sale Deed dated 17<sup>th</sup> February 2017, e-challan highlighting payments of Stamps and Registration fees of Rs. 8,04,380/- paid through a cheque number 757994 drawn on State Bank of India dated 22<sup>nd</sup> February 2017 and the copies of receipt vouchers acknowledging the payments made by the assessee towards the purchase of property issued by the developer from time to time which are summarized in the following table:-

Date	Particulars	Amount
16-01-2012	Paid through Ch No. 083018 dtd 14.01.2012 HSBC Bank	10,30,457
01-03-2012	Paid through Ch No. 083019 dtd 29.02.2012 HSBC Bank	30,91,372
09-07-2012	Paid through Ch No. 107976 dtd 09,07.2012 HSBC Bank	24,85,514

05-10-2012	Paid through Ch No. 107977 dtd 03.10.2012 HSBC Bank	24,85,514
27-02-2013	Paid through Ch No. 107987 dtd 03.02.2013 HSBC Bank	12,42,757
06-06-2013	Paid through Ch No. 098498 dtd 03.06.2013 Axis Bank	12,00,000
17-05-2013	Paid through Ch No. 107984 dtd 16.05.2013 HSBC Bank	10,00,414
29-01-2014	Paid through Ch No. 147158 dtd 29.01.2014 HSBC Bank	38,74,126
06-11-2014	Paid through Ch No. 147164 dtd 19.10.2014 HSBC Bank	15,00,000
06-01-2015	Paid through Ch No. 147165 dtd 05.01.2015 HSBC Bank	20,00,000
01-07-2015	Paid through Ch No. 150539 dtd 30.06.2015 HDFC Bank	2,61,344
01-07-2015	Paid through Ch No. 147167 dtd 01.07.2015 HSBC Bank	4,00,000
02-07-2015	Paid through Ch No. 150541 dtd 30.06.2015 HDFC Bank	5,700
02-07-2015	Paid through Ch No. 150540 dtd 30.06.2015 HDFC Bank	1,14,000
	Total	2,06,91,198

6. Apart from the aforesaid chart, the assessee had also furnished before us copies of confirmations issued by Barclays Bank, London evidencing the foreign inward remittances made by the husband of the assessee, namely Mr. Simon Todd, into the HSBC account of the assessee. The paper book filed before the Tribunal specifically contains documentary evidences from pages 105 to 127, the details whereof, as reflected in the index of the paper book, include confirmations of inward foreign remittances corresponding to various dates and amounts received by the assessee from time to time. The relevant documentary evidences filed in the paper book are reproduced hereunder:–

- 1. Notice dated 31.03.2021 issued by the AO under Section 148*
- 2. ROI acknowledgement*
- 3. Notice dated 15.11.2021 issued by the AO*
- 4. Notice dated 16.02.2022 issued by the AO*
- 5. Notice dated 07.03.2022 issued by the E-Assessment Unit under Section 143(2) read with Section 147*
- 6. Show cause notice dated 23.03.2022 issued by the AO*
- 7. Marriage Certificate between Simon John William Todd and Priya Barbana Farrokh Irani issued by Marriage in the Republic of Seychelles by dated 11.11.2011*
- 8. Submission dated 25.03.2022*
- 9. Agreement for Sale between M/s. Highland Construction Pvt Ltd. And Smt Priya Irani dated 29.02.2012*
- 10. Submission dated 29.03.2022 to show cause notice dated 23-03-2022*
- 11. Person of Indian Origin Card of Mr Simon John William Todd, husband of the Assessee*

- 12. Ledger Account of Assessee in the books of M/s. Highland Constructions for the period 2012 to 2017*
- 13. Stamp Duty paid receipt dated 22.02.2017*
- 14. Receipt Voucher from Highland Constructions Pvt Ltd*
- 15. Copy of receipt received from Citizen Credit co-op Bank Ltd for creating Stamp duty demand draft for property registration*
- 16. Possession letter dated 02.07.2015 and acceptance of the possession letter dated 02.07.2015*
- 17. Office of the civil registrar cum sub registrar, Taluka Registration Department, Government of Goa Input form for Registration of a documents*
- 18. HSBC Bank statement account number 030-466106-006*
- 19. Submission dated 20.10.2024 before CIT (Appeals)”*

7. The learned CIT(A), after examining the aforesaid evidences, came to a categorical conclusion that the nature and source of investment in the property stood fully explained. The learned CIT(A) further observed that the Assessing Officer had made the addition merely because the documentary evidences could not be uploaded within the extremely short time granted during the course of reassessment proceedings. It was also specifically noted by the learned CIT(A) that during the financial year relevant to the impugned assessment year, only a small portion of the overall payment had actually been made and the substantial

investment pertained to earlier years. Accordingly, the addition made under section 69 was deleted.

8. After hearing the rival submissions and upon careful perusal of the entire material placed before us, we find ourselves in complete agreement with the findings and conclusion arrived at by the learned CIT(A). The entire edifice of the addition made by the Assessing Officer rests merely upon the premise that the documentary evidences could not be uploaded within the constrained timeline available before passing of the assessment order. However, the assessment order itself records that during the course of video conferencing proceedings, the assessee had categorically explained that the source of investment was the remittances received from her husband, a British national employed abroad, and that the payments for acquisition of the property had substantially been made in earlier years. Thus, the explanation regarding the source of investment was very much before the Assessing Officer during the assessment proceedings itself.

9. We also do not find any merit in the grievance of the Revenue alleging violation of Rule 46A. The evidences furnished before the learned CIT(A) were not in the nature of any altogether new evidence introducing a fresh case. On the contrary, they were merely corroborative and supporting

documentary evidences substantiating the explanation already furnished before the Assessing Officer. The assessee had consistently maintained that the property investment was sourced from inward remittances received from her husband through banking channels. The documents furnished before the learned CIT(A), namely bank statements, remittance confirmations, receipts issued by the developer, agreement for sale and payment details, were all directly connected with and supportive of the very explanation already available before the Assessing Officer. Therefore, it cannot be said that the learned CIT(A) violated Rule 46A in any manner while examining such evidences.

10. It is also pertinent to observe that the evidences placed on record establish a clear and direct nexus between the remittances received from abroad and the payments made to the developer. The confirmations issued by Barclays Bank, London, the HSBC bank account statements and the payment receipts issued by the builder collectively establish the complete money trail. Once the assessee had duly demonstrated the source of funds and the movement of money through identifiable banking channels, there remained no basis whatsoever for invoking section 69 merely because the assessee's independent returned income was comparatively low. The Assessing Officer has completely overlooked the settled legal position that the source of

investment has to be examined in the context of the explanation and evidences furnished by the assessee and not merely on presumptions arising from returned income figures.

11. What further demolishes the case of the Revenue is that the investment in the property was not made during the relevant previous year alone. The documentary evidences clearly demonstrate that the remittances and payments commenced from the year 2011-12 onwards and continued over a period of several years. The learned CIT(A) has rightly appreciated this factual position and has correctly observed that during the financial year relevant to assessment year 2017-18, only a limited amount was paid. Therefore, even otherwise, the addition of the entire amount of Rs.2,00,91,780/- in the year under consideration was wholly untenable on facts.

12. The provisions of section 69 can be invoked only where the assessee either offers no explanation regarding the nature and source of investment or the explanation offered is found to be unsatisfactory. In the present case, not only was an explanation furnished right from the stage of assessment proceedings itself, but the same stood fully substantiated by contemporaneous documentary evidences including foreign inward remittance confirmations, bank statements, agreement for sale, developer receipts and payment details.

The Assessing Officer, instead of examining the evidences objectively, proceeded to draw adverse inference merely because the documents could not be uploaded within the extremely short timeline available before the assessment was finalized. Such an approach, in our considered opinion, cannot be sustained either in law or on facts.

13. Thus, having regard to the entirety of facts, documentary evidences and the categorical findings recorded by the learned CIT(A), we do not find any infirmity in the impugned order deleting the addition made under section 69. The order passed by the learned CIT(A) is based upon proper appreciation of facts and evidences and calls for no interference. Accordingly, the grounds raised by the Revenue, including the ground relating to alleged violation of Rule 46A, stand dismissed.

**14. In the result, the appeal filed by the Revenue is dismissed.**

Order pronounced on 29<sup>th</sup> May, 2026.

**Sd/-**  
**(ARUN KHODPIA)**  
**ACCOUNTANT MEMBER**

**Sd/-**  
**(AMIT SHUKLA)**  
**JUDICIAL MEMBER**

Mumbai; Dated 29/05/2026  
KARUNA, *sr.ps*

**Copy of the Order forwarded to :**

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

//True Copy//

BY ORDER,

(Asstt. Registrar)  
**ITAT, Mumbai**