

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“D” BENCH, AHMEDABAD**

**BEFORE DR. BRR KUMAR, VICE PRESIDENT &  
SHRI SIDDHARTHA NAUTIYAL, JUDICIAL MEMBER**

I.T.A. No.116/Ahd/2026  
(Assessment Year: 2019-20)

Jitendra Motilal Chawla, C3/63, Goyal Inter-city, Drive-in- Road, Thaltej, Ahmedabad-380054	Vs.	Income Tax Officer, Ward-1, International Taxation Ahmedabad
[PAN No. AJXPC6734B]		
(Appellant)	..	(Respondent)

<b>Appellant by :</b>	Shri Hardik Vora, AR
<b>Respondent by:</b>	Shri Sher Singh, CIT-DR

<b>Date of Hearing</b>	06.05.2026
<b>Date of Pronouncement</b>	26.05.2026

ORDER

**PER SIDDHARTHA NAUTIYAL - JUDICIAL MEMBER:**

This appeal has been filed by the Assessee against the order passed by the Ld. Commissioner of Income Tax (DRP-2), (in short “Ld. CIT(DRP)”), Mumbai-3, vide order dated 28.11.2025 passed for A.Y. 2019-20.

2. The assessee has raised the following grounds of appeal:

“1. On the facts and circumstances of the case as well as law on the subject, the Ld. CIT (DRP-2) has erred in upholding the initiation of re-assessment proceedings u/s 148 of the Act without considering that the notice u/s 148 was issued by the jurisdictional Assessing Officer and not by National Faceless Assessment Center.

2. On the facts and circumstances of the case as well as law on the subject, the Ld. CIT (DRP-2) has erred upholding in the reassessment u/s 147 without considering that notice issued u/s 148A(b) by ITO Ward 3(3) (1), Ahmedabad was without jurisdiction, thereby rendering the entire reassessment proceedings invalid.

3. On the facts and circumstances of the case as well as law on the subject, the Ld. CIT (DRP-2) has erred in upholding the addition of Rs. 5,43,73,153/- u/s 69A rws 115BBE of the Act on account of unexplained credits in the assessee's NRE Bank account without appreciating that the assessee is a non-resident and the funds deposited are foreign remittances not chargeable to tax in India.

4. *On the facts and circumstances of the case, the Ld. CIT (DRP-2) has erred in confirming the addition of Rs.68,59,477/- u/s 69A r.w.s 115BBE of the Act without considering that the transaction amounting to Rs. 68,59,477/-dated 10.09.2018 has been mistakenly considered four times by the Assessing Officer, whereas the transaction actually occurred only three times as per the bank statement.*

5. *On the facts and circumstances of the case, the Ld. CIT (DRP-2) has erred in confirming the addition of Rs. 93,47,649.75/- u/s 69A r.w.s 115BBE of the Act without considering that the said amount is received from assessee's brother Rajesh Chawla and the same is duly supported by Certificate of Foreign Inward Remittance.*

6. *On the facts and circumstances of the case, the Ld. CIT (DRP-2) has erred in confirming the addition of Rs. 3,81,66,027.08/- u/s 69A r.w.s. 115BBE of the Act without considering that the said amount is received from LTA LLC, a UAE-based general trading company engaged in the business of HBA, groceries, and electronics, in which the assessee holds an 80% shareholding.*

7. *On the facts and circumstances of the case, the Ld. CIT (DRP-2) has erred in confirming the addition of Rs. 3,81,66,027.08/- u/s 69A r.w.s. 115BBE of the Act without considering that the said amount is received from LTA LLC without considering that assessee has submitted copy of LTA LLC business license, share register and extract of bank statement.*

8. *Appellant craves leave to add, alter or delete any ground(s) either before or in the course of hearing of the appeal."*

3. The brief facts of the case are that the assessee is a non-resident individual who had originally not filed his return of income for A.Y. 2019-20 under section 139(1)/139(4) of the Act. Subsequently, information was received by the Department through the Insight Portal showing that the assessee had entered into substantial financial transactions exceeding the taxable limits. The information available with the Department showed various transactions including viz. foreign remittances, fixed deposits, bank balances and transactions in different banks including HDFC Bank, ICICI Bank, Axis Bank, AU Small Finance Bank and HSBC Bank. On the basis of this information, the Assessing Officer initiated proceedings under section 148A of the Act.

4. The Assessing Officer issued notice under section 148 of the Act and in response, the assessee filed return of income declaring total income of Rs.17,977/-. Thereafter, the Assessing Officer asked the assessee to explain the financial transactions appearing on the Insight Portal and in particular the source of amounts credited in the bank accounts. According to the Assessing Officer, despite several opportunities, the assessee failed to furnish complete documentary evidences regarding the nature and source of amounts received in the bank accounts. The Assessing Officer observed that substantial amounts had been credited in the assessee's bank accounts which included credits aggregating to Rs.10,24,74,212/- in HDFC Bank account and smaller amounts in Axis Bank and AU Bank accounts. Thereafter, the Assessing Officer passed draft assessment order dated 18.02.2025 proposing addition of Rs.10,25,19,212/- under section 69A read with section 115BBE of the Act and addition of Rs.50,129/- under section 69 of the Act.

5. Aggrieved by the draft assessment order, the assessee filed objections before the Hon'ble Dispute Resolution Panel. Before the DRP, the assessee contended that he was a non-resident Indian residing outside India and the amounts credited in the NRE bank accounts were from foreign inward remittances and overseas funds not chargeable to tax in India. The assessee further submitted that part of the receipts were from remittances from LTA LLC, a UAE based entity engaged in trading activities in which the assessee held substantial ownership interest. The assessee also submitted that an amount of Rs.93,47,649/- was the loan received from the assessee's brother Shri Rajesh Chawla residing abroad. The assessee also contended that one of the entries amounting to Rs.68,59,476/- had been mistakenly considered four

times by the Assessing Officer though the transaction had actually occurred only three times.

6. The Hon'ble DRP, after considering the objections, partly accepted the contentions of the assessee and granted substantial relief of Rs.4,81,96,188/- while sustaining addition of Rs.5,43,73,153/-. The DRP sustained addition of Rs.3,81,66,027/- on account of remittances from RAK Bank on the ground that the assessee failed to furnish sufficient documentary evidences establishing ownership, beneficial interest and business connection with LTA LLC. The DRP observed that no audited financials, shareholding certificates or independent evidence linking the remittances to disclosed foreign business income had been produced. The DRP therefore held that the inward remittances remained unexplained money taxable under section 69A read with section 5(2) of the Act. Similarly, with regard to amount of Rs.93,47,649/- received from assessee's brother Shri Rajesh Chawla, the DRP held that no loan agreement, confirmation letter or authenticated bank statements of the lender had been furnished and therefore the claim remained unsubstantiated. The DRP accordingly upheld addition of the said amount under section 69A of the Act. The DRP also upheld addition of Rs.68,59,476/- observing that though the assessee claimed duplication of entries, no authenticated reconciliation or confirmation from the bank had been furnished to establish the same. However, with respect to addition of Rs.50,129/- relating to ICICI Bank account, the DRP accepted the explanation of the assessee that the amount was from inter-bank transfer between the assessee's own NRE accounts and interest income exempt under section 10(4) of the Act. Accordingly, the DRP directed deletion of the said

addition. Pursuant to the directions of the DRP, the Assessing Officer passed final assessment order under section 143(3) assessing the total income at Rs.5,43,91,130/-.

7. Aggrieved by the final assessment order, the assessee preferred appeal before the Tribunal challenging the additions sustained by the DRP. In the grounds of appeal, the assessee has primarily contended that the authorities below erred in sustaining addition under section 69A of the Act in respect of inward remittances received in NRE bank accounts despite the assessee being a non-resident. The assessee has further challenged the addition of Rs.68,59,477/- on the ground that the same transaction was wrongly counted multiple times. The assessee has also challenged the addition of Rs.93,47,649/- received from his brother Shri Rajesh Chawla and addition of Rs.3,81,66,027/- received from LTA LLC on the ground that the same represented genuine foreign remittances duly supported by documentary evidences.

8. Along with the appeal, the assessee has also filed an application under Rule 29 of the ITAT Rules seeking admission of additional evidences. In the application, the assessee has submitted that though several evidences including bank statements, passport extracts, foreign business registration certificates and tax documents were already furnished before the lower authorities, certain additional third-party evidences could not be furnished earlier. The assessee now seeks to place on record additional documents including passport of Shri Rajesh Chawla, Belize residence permit, company records of RC Imports Limited, certificate of good standing and related corporate documents to substantiate that the assessee has been residing

abroad for several years and the funds transferred by him were earned outside India and therefore not chargeable to tax in India. The assessee has submitted that these additional evidences are crucial for proper adjudication of the issues involved and go to the root of the matter.

9. We have considered the rival submissions and perused the material available on record. We find that the additions sustained by the DRP primarily rest upon insufficiency of documentary evidences regarding the nature and source of foreign remittances and the overseas status and financial capacity of the remitters. We further find that the assessee now seeks to place on record additional evidences which are directly relevant and material for adjudication of the controversy involved in the present appeal. The additional evidences sought to be produced include foreign residence documents, company incorporation records, shareholding details and related materials which prima facie have direct bearing on the issue regarding taxability and nature of foreign remittances received by the assessee.

10. In our considered view, the additional evidences sought to be filed by the assessee go to the root of the controversy and are necessary for proper adjudication of the issues involved in the appeal. We also find merit in the contention of the assessee that the additional evidences are largely third-party documents and their non-filing at earlier stages is not deliberate or mala fide. It is settled proposition of law that procedural rules should not come in the way of substantial justice and where additional evidences are necessary for proper adjudication of the matter, the same deserve to be admitted in the interest of justice.

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11. Considering the entirety of facts and circumstances of the case, we deem it appropriate to admit the additional evidences filed by the assessee under Rule 29 of the ITAT Rules. Since these evidences were not available before the lower authorities and require proper verification and examination, we consider it just and proper to restore the entire matter to the file of the Hon'ble DRP for fresh adjudication in accordance with law after considering the additional evidences and after granting adequate opportunity of hearing to the assessee.

12. Accordingly, the matter is restored to the file of the Hon'ble DRP for adjudication afresh in accordance with law and in light of the additional evidences filed by the assessee. The assessee is also directed to fully cooperate in the set aside proceedings and furnish all documentary evidences and explanations as may be called for by DRP.

13. In the result, the appeal of the assessee is allowed for statistical purposes.

**This Order pronounced in Open Court on**

**26/05/2026**

**Sd/-**  
**(DR. BRR KUMAR)**  
**VICE PRESIDENT**

**Sd/-**  
**(SIDDHARTHA NAUTIYAL)**  
**JUDICIAL MEMBER**

Ahmedabad; Dated 26/05/2026

TANMAY, Sr. PS

*TRUE COPY*

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त(अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, अहमदाबाद / DR, ITAT, Ahmedabad
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt.Registrar)  
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad