

**IN THE INCOME TAX APPELLATE TRIBUNAL,
DELHI BENCH: 'G' NEW DELHI**

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL
MEMBER
AND
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER**

ITA No.4483/Del/2024

Assessment Year: 2013-14

With

ITA No.4484/Del/2024

Assessment Year: 2012-13

With

ITA No.4485/Del/2024

Assessment Year: 2011-12

With

ITA No.4486/Del/2024

Assessment Year: 2014-15

DCIT, Central Circle-07, Delhi	Vs.	Shriti Verma, A-1/78, Second Floor, Safdarjung Enclave, New Delhi
PAN: AIZPV6398R		
(Appellant)		(Respondent)

Assessee by	CA Meenu Mittal
Department by	Sh. Mahesh Kumar, CIT(DR)

Date of hearing	04.11.2025
Date of pronouncement	04.11.2025

ORDER

PER SATBEER SINGH GODARA, JM

These Revenue's four appeals ITA No. 4483, 4484, 4485 & 4486/Del/2024 for assessment years 2013-14, 2012-13, 2011-12 & 2014-15, arises against the Commissioner of Income Tax (Appeals)-31 [in short, the "CIT(A)"], Delhi's orders dated 24.07.2024 (for AYs 2013-14, 2012-13 & 2011-12) and 25.07.2024 (for AY 2014-15) passed in case nos. CIT(A),Delhi-24/10445/2018-19, Delhi-24/10443/2018-19, Delhi-24/10438/2018-19 and Delhi-24/10448/2018-19 involving proceedings under section 153A r.w.s. 143(3) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act'); respectively.

Heard both the parties. Case files perused.

2. The Revenue's "lead" appeal ITA No.4483/Del/2024 for assessment year 2013-14 raises the following substantive grounds:

- a) *The Ld. CIT(A) has erred in law and facts of the case in deleting the protective addition of Rs.45,17,24,929/- as the decision regarding ownership of substantial additions has not attained finality.*
- b) *The Ld. CIT(A) has erred in law and facts of the case in deleting the protective addition in the hands of the assessee by referring to the order u/s 10(3) of the black money act, while not taking account that under the same proceedings Ms. Ritu Verma (assessee's mother) has denied the ownership of foreign assets under consideration i.e. substantive additions, in her submission dated 22.11.2021.*

3. Both the learned representative next invited our attention to the CIT(A)'s lower appellate discussion deleting the impugned

protective addition of Rs.45,17,24,929/- made by the Assessing Officer in his assessment framed on 27.12.2018; reading as under:

"5. Ground No. 2 and 3 are related to the protective addition of Rs.45,17,24,929/-made by the AO in the assessment order dated 27.12.2018 passed u/s. 153A r.w.s. 143(3) of the IT Act.

6. In the impugned assessment order, the AO has made protective addition of Rs.45,17,24,929/-. In the order, the AO has noted that substantive addition will be made in the case of the appellant in the proceedings under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act 2015 (hereafter called as BMA). In this regard, the AO has stated as under:-

"8.3 Proceedings under the Black Money (undisclosed foreign income and assets) and imposition of tax Act 2015 ("B M Act") have also been initiated after examining the details/materials including the information relating to the above-mentioned deposits in foreign bank account which were not disclosed in returns of income in case of assessee by issuing the notice u/s 10(1) of BM Act on 15.12.2018 by the AO under Black Money Act re. additional Commissioner of Income-tax, Central Range-2, Delhi. However, final orders are yet to be passed under the BM Act. But it is also clearly understood that the same income cannot be added twice (1) once under the Income-tax Act and then (ii) in the BM Act. Therefore, in view of pendency of proceedings under the BM Act, as a measure of abundant precaution, additions made on account of deposit in foreign bank accounts as discussed above are assessed protectively in the hands of the assessee under the Income Tax Act."

7. In this case, there was search on 17.12.2015 and the case was centralized vide order u/s 127 dated 12.10.2018 with PCIT, Central-3, New Delhi. Notice u/s 153A dated 15.05.2017 was issued in response to which the return was filed by the appellant on 12.06.2017 disclosing a total income of Rs. 12,28,360/-. Other statutory notices u/s 143(2) and 142(1) were also issued.

8. The AO in his order has noted that in the bank account no. 3101431 and 3102431 of Master Expert Limited was maintained with Julius Baer & Co. Limited. In the account opening form, the appellant and her mother Ms. Ritu Verma have been shown to be beneficial owners.

9. The AO has further noted as under:-

5.8 In the account opening form, copy of passport of Ms. Ritu Verma bearing no. G1598497 is enclosed as identify proof on which her residential address has been shown as D-11-225, Vinay MARG, Chankya pun, new Delhi-110021, her father's name is shown as Ram Kumar Verma, her mother name is shown as Vimla Verma and

her husband name is shown as Rajni Kant Verma. Copy of Electricity bill for the month of Feb-2008 is also enclosed with the account opening form, the name and address on this electricity bill is shown as Rajni Kant Verma, Ritu Verma, D-010, Pocket P7, Civil Service Welfare Society, Greater Noida, U.P. Copy of passport of Ms. Shriti Verma bearing No. G 1598391 is also enclosed on which the residential address is shown as D-11-225, Vinay Marg, Chanakya Puri, New Delhi-110021. These documents clearly established the fact that the above mentioned bank account no. 3102431, Bank Julius Baer & co. Ltd., Singapore in the name of M/s Master expert Investment Ltd. is held and maintained by Ms. Ritu Verma and Ms. Shriti Verma and they are beneficial owners of all the assets. charge on assets and proceeds of this account.

5.9 Analysis of account statement of account no 3102431

The total credit entries in the bank account no 3102431 of Master Expert Investments Ltd. For A.Y 2013-14 are summarized in the below table:-

Currency	Total Credits	Avg Conversion rate	Amount in INR
USD	1,77,125	54.41	9637371
SGD	10,979	42.8	469901
MYR	1,170	17.07	19972
JPY	56,190	59.7	3354543
IDR	84,66,621	0.006	50800
HKD	41,747	6.89	287637
		Total	13820224

5.9 The analysis of asset statement of a/c no. 3101431 of Master Expert Investment Ltd. For the financial year 2013-14 showed following details:-

Month & Year	Total Value of portfolio as on 31.12.2011	Deposits	Withdrawals	Deposits of Securities	Withdrawal of Securities	Value of adjusted portfolio	Value of portfolio at the end of the month
Apr-12	719068.24	1727136.87	4522286.62	3594299.12	0	1518217.61	16284468.3
May-12	719068.24	1727136.87	4522286.62	3594299.12	0	1518217.61	1532597.08
Jun-12	719068.24	1727136.87	4522286.62	3594299.12	0	1518217.61	1535009.68
Jul-12	719068.24	1727136.87	4551881.1	3594299.12	0	1488623.13	1535778.53
Aug-12	719068.24	1727136.87	4551881.1	3594299.12	0	1488623.13	1487030.04
Sep-12	719068.24	1727136.87	4551881.1	3594299.12	0	1488623.13	1536717.5
Oct-12	719068.24	1727136.87	4574475.6	3594299.12	0	1466028.53	1520438.19
Nov-12	719068.24	1727136.87	4574475.6	3594299.12	0	1466028.53	1637348.78
Dec-12	719068.24	1727136.87	4574475.6	3594299.12	0	1466028.53	1638475.43
Jan-13	1638475.43	0	22314.76	0	0	1616160.67	1599903.58
Feb-13	1638475.43	0	22314.76	0	0	1616160.67	1609709.36
Mar-13	1638475.43	0	27462.26	0	0	1611013.17	1614867.06
Total in USD	15544231.83						
Conv. Rate	54.41						
Total INR	84,57,61,654						

Similarly, the analysis of asset statement of a/c no 3102431 of Master Expert Investment Ltd for the assessment year 2013-14 showed following details:-

Month & Year	Total value of portfolio as on 31.12.2011	Deposits	Withdrawals	Deposits of Securities	Withdrawal of Securities	Value of adjusted portfolio	Value of portfolio at the end of the month
Apr-12	4774907.54	21396	1727136.87	486975.73	3594299.12	38156	19334
May-12	4774907.54	21396	1727136.87	486975.73	3594299.12	38156	19305.47
Jun-12	4774907.54	21396	1727136.87	486975.73	3594299.12	38156	19316.9
Jul-12	4774907.54	68136.31	1727136.87	486975.73	3594299.12	8583.59	66176.85
Aug-12	4774907.54	68136.31	1727136.87	486975.73	3594299.12	8583.59	66145.82
Sep-12	4774907.54	68136.31	1727136.87	486975.73	3594299.12	8583.59	66239.14
Oct-12	4774907.54	126936.93	1796478.82	486975.73	3594299.12	1957.74	55726.65
Nov-12	4774907.54	126936.93	1796478.82	486975.73	3594299.12	1957.74	55697.83
Dec-12	4774907.54	126936.93	1796478.82	486975.73	3594299.12	1957.74	55666.06

Jan-12	55666.06	52280.25	0	0	0	107946.31	107780.8
Feb-12	55666.06	52280.25	0	0	0	107946.31	107723.11
Mar-12	55666.06	52280.25	0	0	0	107946.31	107718.24
	Total in USD	806248.47					
	Conv. Rate	54.41					
	Total in INR	4,38,67,980					

Therefore, total deposits in account no. 3102431 and total deposit of securities in account nos. 3101431 and 3102431 of Master Expert Investment Ltd is Rs. 1,38,20,224, Rs. 84,57,61,654/- and Rs. 4,38,67,980/-respectively.

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8.1 In view of the above, it is clear that the bank account number 3101431 and 3102431 in the name of Master Expert Ltd. With bank Julius Bear and Co. Ltd. Belongs to Smt. Shriti Verma and her mother Smt. Ritu Verma as beneficial owners. Accordingly, the deposits made in these bank accounts are added to the income of the assessee as undisclosed Income and following additions are made to the income of the assessee.

Rs. 45,17,24,929/- (being 50% of total deposits in account no. 3101431 and 3102431 and total deposit of securities in account nos. 3101431 and 3102431 of Master Expert Investment Ltd. Is Rs. 1,38,20,224/-, Rs.84,57,61,654/- and Rs 4,38,67,980/- respectively with bank Julius Bear and Co. Ltd. Belongs to Smt. Shriti Verma and her mother Smt. Ritu Verma as beneficial owners of this bank account, 50% of the total deposits in this bank account are being added in the case of Smt. Ritu Verma."

10. During the appellate proceedings, the appellant had furnished replies in support of grounds raised which are as under:

1. The appellant is an Individual deriving income under the head salary and other sources during the relevant year. A search and seizure operation was carried out in case of Ritu Verma and group on 17/12/2015. Thereafter, a notice u/s 153A of the Act was issued requiring the appellant to file return. The appellant in response to the said notice, filed an ITR on 12/06/2017 declaring total income of Rs. 12,28,360/- In response to notice u/s 142(1) dated 24/07/2017, 01/11/2018 and 13/11/2018, the appellant has submitted various replies and explanations to the satisfaction of the Assessing Officer. However, the Assessing Officer did not appreciate the facts stated therein and has made high pitched additions assessing the total income at Rs. 45,29,53,290/-as against the returned income of Rs. 12,28,360/-The additions are made as follows-

Sr. No.	Particulars	Amount (in Rs.)
1.	Total Income as per ROI	12,28,360
2.	Add: Addition of alleged undisclosed income	45,17,24,929

3.	Total Assessed Income:	45,29,53,290
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3. The Appellant vehemently objects to the above additions/disallowances made by the Assessing Officer. The following disputes arise out of order passed by Assessing Officer:

4. Regarding non-furnishing of information by the Assessing Officer-
4.1 The Assessing Officer has made the impugned addition on account of deposits made during the relevant year in bank account number 3101431 and total deposit of securities in account nos 3101431 and 3102431 in the name of Master Expert Investment Ltd. with bank Julius Baer and Co. High-pitched addition has been made on account of this alleged undisclosed deposits. The appellant during the course of assessment proceedings has time and again denied any allegations regarding beneficial ownership, having knowledge of such accounts, transfer therein, etc. and in this respect had also called for the details based on which the Assessing Officer has initiated the proceedings against the appellant and passed the order u/s 153A r.w.s. 143(3) of the Act. A detailed list in respect of documents which forms a basis of initiating the impugned proceedings was called for from the Assessing Officer which has not been furnished till date. For reference of your good honor, the same is annexed herewith. At this juncture, the legality of the impugned proceedings are questioned since in the purview of law and on grounds of principles of natural justice, the Assessing officer was bound to furnish the Information before proceeding any further in the given case. This also leads to the possibility that the Assessing Officer merely based on the borrowed satisfaction has carried out the said proceedings which is not permissible in law. During the course of assessment proceedings, the Assessing Officer had called for various details in respect of foreign income and assets however, in absence of appellant's knowledge regarding the detailed information received by Assessing Officer from foreign authorities naturally incapacitates her to furnish details from her end that too when the allegations against her does not corroborate the factual position. Thus, your good honor is requested to direct the Assessing officer to furnish the details called for before proceeding further in the case in absence of which the impugned order u/s 143(3) r.w.s. 153A is illegal and thus liable to be quashed.

5. Without prejudice to the foregoing, it is submitted that the impugned order is also time barred by limitation period. The details of the same is as under-

5.1 It is worthwhile to note that search action u/s 132 had been taken in the case of appellant on 17.12.2015 and the last panchnama was drawn on 12.01.2016. As per the provision of section 1538 as applicable from 01.06.2016, the assessment u/s 1534 needed to be completed within a period of twenty-one months from the end of the financial year in which the last of the authorizations for search under section 132 or for requisition under section 132A was executed. As per this reckoning, the assessment has been time- barred as per the limitation period prescribed under

section 1538 as on 31/12/2017. Therefore, as per the normal provisions of section 1538, proceedings stood barred by limitation period and accordingly the impugned order passed u/s 153A r.w.s. 143(3) of the Act on 27/12/2018 is void and illegal.

5.2 The said issue was raised before the Assessing officer during the course of assessment proceedings. However, the Assessing Officer in his impugned order have quoted the Explanation 1(x) to Section 153 of the Act stating that period for which reference was made u/s 90 or 90A or one year, whichever is earlier needs to be excluded after which the case of the appellant gets time barred on 31/12/2018 and that first reference made to the jurisdiction requiring necessary information after search was on 07/01/2016. Accordingly, the Assessing Officer, has considered the first referred date as 07/01/2016 and based on that has contended that the said proceedings are time barred by 31/12/2018. However, the same is not correct since the law stipulates the date on which 'first reference' was made and nowhere does it mentions 'first reference after search'. For your ready reference, Explanation 1(x) to Section 153 of the Act is reproduced hereunder-Explanation (x)

"the period commencing from the date on which a reference or first of the references for exchange of information is made by an authority competent under an agreement referred to in section 90 or section 90A and ending with the date on which the information requested is last received by the Principal Commissioner or Commissioner or a period of one year, whichever is less"

5.3 Based on above, it may be appreciated that for calculating the period of exclusion, the period is calculated from the date first reference for exchange of information was made and that in the said case, a reference was made to Foreign Tax & Tax Research (FT&TR) division on 08/11/2013 ie. before the search took place, a reference to the FTSTR division was already made asking for details of investments. The search in the case of appellant took place on 17/12/2015 after which multiple reference were made to the foreign authorities in continuation to the previous reference dated 08/11/2013 and in such case where series of references are made, the statute requires considering date on which first reference was made to such authorities. Nowhere does the law specifically asks to consider first date after search'. Where the term 'first date of reference is not defined in the Act, naturally as per the rules of interpretation, a common variance has to be assigned which would simply mean the date on which the department for the first time approached the foreign authorities asking for information and the being 08/11/2013. The said fact being already on record of department, clearly the Assessing Officer has grossly erred in citing Explanation 1(x) of Section 153 of the Act since the same is not applicable in the given case and accordingly the impugned order being time barred and illegal, is liable to be quashed.

6. Even otherwise, the impugned additions cannot be sustained based on factual position which is as under-

6.1 Alleged beneficiary with Bank Julius Baer & Co in the name of Master Expert Investment Ltd:

6.1.1 The Assessing officer has alleged that Master Expert Investment Ltd maintains bank A/c No. 3102431 with Bank Julius Baer & Co. Ltd where M/s Gandek Limited is shown as director of the company and M/s Pasawee Limited and M/s Siripen Limited as shareholders of the said company where appellant is the co-beneficial owner. The bank statements of bank account 3102431 are in two parts, the account statements and the asset statements whereby the assets statements contain the investment items (shares, bonds and etc) which the account has invested into and the account statements contain the remittance activities (with different currencies) which the account transacted in. The addition in this respect of Rs. 45,17,24,929/- is liable to be deleted on the following grounds:-

6.1.2 It is worthwhile to note that documents furnished by the foreign authorities are all copies of the original documents. The same are unsigned and/or unauthenticated. Further, no KYC documents in respect of opening the said bank a/c has been furnished to the appellant. The Assessing officer had relied on the document such as passport to rely on the identity of the appellant not considering the fact that such documents being easily and publicly available lacks its reliability and may also be a result of façade masked by a person who is the real beneficiary. Thus, in the absence of original documents and specifically in the case where the source of the said documents are unauthenticated, it becomes an utmost necessity to provide the appellant with an opportunity to cross-examine such documents and the concerned person in-charge let alone the cross-examination of banking officials and the legal counsels of Master Expert Investment Ltd who might have forwarded the given documents/information. In this purview, the act of assessing officer of carrying out the impugned addition violates the principle of natural justice and thus, the addition is not sustainable in law. It is also worthwhile to note that the appellant has never visited the British Virgin Islands so the question arises as to how such documents are purportedly signed by the appellant.

6.1.3 From the information supplied by the competent authority that the Master Expert Investment Ltd holds an Account No. 3101431 with Bank Julius Baer & Co. Ltd, no documents linking the appellant to the bank account have been supplied. Also, there is no evidence of any money having been transferred to the appellant. 6.1.4 Thus, as contended above, in the absence of original documents and specifically in the case where the source of the said documents are unauthenticated, the Assessing Officer is legally obligated to provide the appellant with an opportunity to cross-examine such documents. The addition without affording such

opportunity is in violation of principle of natural justice and not sustainable in law.

6.1.5 It is worthwhile to note that had the appellant been the real beneficiary to the said A/c there ought to have a direct relation between the appellant and the party namely M/s Gandek Limited, M/s Pasawee Limited and M/s Siripen Limited who are the director and shareholders respectively of Master Expert Investment Limited in absence of which there can be no reason as to why the appellant would let a third party be a custodian of such huge amount of funds. The Assessing Officer neither in the impugned order nor during the course of assessment proceedings has mentioned to have found any connection of the appellant with the said parties. Clearly, the appellant has been framed and is the result of façade masked by a person who is the real beneficiary.

7. On reading of the impugned order passed, it appears that the entire assets of The Orchid Trust has been transferred in favour of Bank Julius Baer & Co. Ltd, Singapore and further credited to Master Expert Ltd. A/c No. 3102431. Now, as may be appreciated by your good honor, aggregate of entire credits appearing in the Trust fund has been added to the total income in the hands of appellant from A.Y. 2011-12 to A.Y. 2014-15. Without prejudice to the foregoing, it is submitted that the Assessing Officer has grossly erred in making addition of credits appearing in Bank Julius Baer & and heard Co. Ltd., Singapore since as observed by the Assessing Officer himself the said funds have been transferred from Orchid Trust whose entire funds have already been taxed applying his mind. has carried out the impugned addition not appreciating the fact that in the hands of Ritu Verma alleging it as a source. The Assessing Officer without this has clearly resulted into double addition which is not permissible in law.

8. Further, even if it is held that appellant is a beneficiary, it may be noted that appellant is not the owner of the alleged bank account. And that there is no direction from the appellant for disbursement of this funds. Hence, even as hypothetical case study based on the information received from foreign authorities, appellant has not received any sum which could have been the subject matter of taxation.

9. Thus, as contended above, in the absence of original documents and specifically in the case where the source of the said documents are unauthenticated, it becomes an utmost necessity to provide the appellant with an opportunity to cross-examine such documents. The addition without affording such opportunity is in violation of principle of natural justice and not sustainable in law, Accordingly, your good honor is requested to consider the above mention facts and may direct to the Assessing Officer to delete the impugned addition.

10. It is further submitted that the impugned order has been passed overlooking following aspects which does not support the contention

of the Assessing Officer and faulty allegations made against the appellant

10.1 *Request to grant opportunity of cross-examination*-As against the request made by the appellant to cross-examine the documents and the person who have forwarded such information, the assessing officer has rejected the same by quoting Section 139 of the Indian Evidence Act which states that unless a person is called in as a witness, he cannot be cross-examined. In this respect, it is stated that right to cross-examine flows from the principles of natural justice without which the documents receive from foreign authority is not legally binding on the appellant. The same view has also been upheld by various judicial authorities. Also, the assessing officer has relied upon the documents alleged to have been signed by the appellant which is already denied to have signed by the appellant. The appellant ought to have got the same verified with forensic help and/or verification by any other viable means.

10.2 *Fraudulent means for framing the appellant*-

With respect to appellant's contention that the identity of the appellant is being misused by someone who is in fact the real beneficiary, the appellant has not produced any documents to show that she is being framed nor any legal action in this regard. The said contention of the Assessing Officer is without any base as much as the fact that it is un-understandable as to how a person would come to know of her identity is being misused unless any documents are produced before her or proceedings, if any has been initiated against her. A person will naturally not be able to take any legal action until it comes to her knowledge and that the same is objectionable and/or some proceedings has been initiated against her.

10.3 *Non-admission of being beneficiary of account*:

The Assessing officer having relied upon the documents received from the competent authority of BVI has rejected the claim of the appellant of not being beneficiary of account Bank Julius Baer & Co. Ltd. As contended above, the documents are neither unauthenticated nor the opportunity of cross- examination has been afforded to the appellant so as to establish the genuineness of the same and in the absence of same, the Assessing Officer has grossly erred in making the impugned addition.

11. Without prejudice to the foregoing, it is worthwhile to note that the bank details furnished to the appellant merely show the transfer entries. Amongst all the documents and information made available to the appellant, nowhere has it established as to how the source of the funds is attributable to the appellant and in that case also how the benefits have accrued to the appellant. Your good honor will appreciate that the underlying principle of Income Tax Act lies at taxing the source of income. The Assessing Officer has grossly erred by treating mere transfer entries as income chargeable to tax because nowhere has the Assessing Officer bothered to demonstrate as to how such entries can be treated as investments or income accrued to the appellant. Also, it may not be out of place

to mention that also in the cases where credit and debit entries are found, logically only peak credit may be added to the income of the appellant and never the aggregate of such credits. Also, in the case where there are many credits which in the opinion of the Assessing Officer, non-genuine, withdrawal from one account should be treated as available for credit in another. It is highly illogical and also harsh on the appellant for the Assessing Officer to add the aggregate of all credits appearing in one account and then adding up the same all credits from another account which in fact are mere transfer entries from one bank to another which obviously represents the same income. It is also worthwhile to note that during the course of search proceedings, no material relating to any such alleged foreign investments were found. Also, had these monies belonged to the appellant, there ought to have some tangible evidence found during the course of search in the form of investments, unexplained cash, etc. No such documents have been found during the course which also goes on to prove that appellant indeed is innocent and that she has been framed in the entire gamut of alleged undisclosed investments. Thus, considering the submission of the appellant as above, your good honor is requested to direct the Assessing Officer to delete the impugned addition.

12. Further, on perusal of Para 8.3 of the impugned order, it is observed that Assessing officer has passed the impugned order by making protective addition in the hands of the appellant under Income tax Act by stating that proceedings under Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (BM Act) have also been initiated and that the same income cannot be added twice. It is worthwhile to note that the Assessing officer has grossly erred by simultaneously invoking proceedings under Black Money Act and making protective addition under the Income Tax Act without appreciating that both are separate legislations and proceedings under one Act cannot be extended to the other. The assessing officer in the given case has made protective addition under Income Tax Act by intending to simultaneously carry out proceedings under the Black Money Act and thereby drop the impugned proceedings in the case where addition under Black Money Act is sustained. This is not permissible in law since the Income Tax Act provides for protective addition in the case when an income is offered by one person while the Revenue considers that such income is assessable in the hands of other person and not under other legislation as has been inferred by the Assessing Officer in the given case. It is also worthwhile to note that proceedings under Black Money Act can be invoked only in the case when the Assessing officer is certain as to who the alleged income/asset belongs and not merely based on doubt regarding ownership of the same, and the Assessing officer having done protective addition in the given case clearly contradicts the action of initiating proceedings under Black Money Act. Thus, the invoking of the Black Money Act itself is illegal and void ab initio. The protective addition made in the given order is not sustainable in law and

therefore the impugned proceedings are liable to be quashed. In law and circumstances of the facts mentioned hereinabove, your good honor looking to the merits of the case is requested to direct the assessing officer to delete the impugned additions. However, without prejudice, even otherwise, if your good honor still desires to take an adverse view, the appellant most respectfully begs to be provided her with all requested for material and an opportunity to cross examine the relevant persons to enable her to contradict and bring out the correct facts before your good honor.”

11. Further, vide letter dated 19.07.2024, the appellant has stated as under:-

“The appellant is an individual deriving income under the head other sources during the relevant year. A search and seizure operation was carried out in case of Ritu Verma and group on 17/12/2015. Thereafter, a notice u/s 153A of the Act was issued requiring the appellant to file return. The appellant in response to the said notice, filed an ITR on 12/06/2017 declaring total income of Rs.12,28,360/. In response to notice u/s 142(1) dated 24/07/2017, 01/11/2018 and 13/11/2018, the appellant has submitted various replies and explanations to the satisfaction of the Assessing Officer. However, the Assessing Officer did not appreciate the facts stated therein and has made high pitched additions assessing the total income at Rs.45,29,53,290/- as against the returned income of Rs.12,28,360/-“

The Appellant vehemently objects to the above additions made by the Assessing Officer and would like to further submit as follows in addition to her previous submissions:

1. Non-involvement in Master Expert Limited:

The Assessing Officer has made alleged additions amounting to Rs.2,29,98,450/- (being 50% of total deposits of Rs. 4,59,96,900/ in bank account number 3101431 in the name of Master Expert Ltd with Bank Julius Baer and Co.). It is to be noted that the appellant is neither a shareholder nor a director in M/s Master Expert Investments Limited, in respect of which additions have been made by the Assessing Officer under the Income Tax Act.

2. Ownership and Beneficiary Clarification:

Attention is invited to the letter dated 09.06.2009 written by Ms. Ritu Verma to the trustees of the Orchid Trust (annexed herein as "Annexure-1"). A perusal of this letter makes it clear that Ms. Ritu Verma is not only the primary beneficiary but also the beneficial owner of the Trust, and by extension, the beneficial owner of STEL. The appellant is to become the beneficiary of the trust assets only after the death of Ms. Ritu Verma. Thus, it is evident that the appellant is not the beneficial owner of STEL and the assets in the said company.

3. Assets Transfer and Ownership:

Regarding Master Expert Investments Limited, it can be seen that pursuant to the directions Issued by Ms. Ritu Verma, the assets of STEL were transferred to Master Expert Investments Limited. The name of the appellant appears only once in the account application for account no. 3101431 (pertaining to Master Experts Investments Ltd) of Bank Julius Baer and Company Ltd, Singapore Branch, which mentions Gandek Ltd (sole director of Master Expert Investments Ltd) as the authorized representative. However, the involvement of Ms. Ritu Verma in the affairs of Master Expert is extensive, and there appears to be no involvement of Ms. Shriti Verma concerning the source of assets and activities of Master Experts Investment Limited. Assets have been received in the entity Master Experts Investments Ltd from STEL, an entity clearly beneficially owned by Ms. Ritu Verma and not by the appellant as alleged by the Income Tax Department.

4. Source of Funds:

Initially, funds were transferred from UB AG Singapore Bank (a/c no. 140184) held by M/s Windsor Incorporation Inc to Banque Pictet and Cie Sa (a/c No. 119409) held by M/s Swift Time Enterprises Ltd and then to Bank Julius Baer and Co (a/c no 3102431) held by M/s Master Experts Investments Ltd. It is to be noted that the deposits made in the bank account maintained at Julius Baer and Co by Master Experts Investments Ltd are funds transferred from the bank account of STEL only, and no new additions/ deposits have been made afterwards. In view of this, the appellant cannot be held as the beneficial owner of such funds since no new additions/ deposits has been made in bank maintained at Julius Baer and Co, in which Ms Shriti Verma is alleged to be the beneficial owner. In light of the above submissions, it is evident that the appellant does not hold any substantive control, ownership, or beneficial interest in the assets or entities in question. The substantive control and beneficial ownership lie solely with Ms. Ritu Verma as alleged, and thus, any proceedings should be directed accordingly. In conclusion, the appellant respectfully requests that the proceedings under the Income Tax Act not be made substantive against her.

12. The assessment order and the reply of the appellant has been perused. It is seen that in this case protective addition has been made. The substantive addition was proposed to be made in the assessment order under BMA. In the order u/s 10(3) of BMA, the AO has not made any addition. The AO has held that the appellant was not a beneficiary owner of the bank account wherein the money was parked. In arriving at such conclusion, the AO has deliberated upon and examined the documents available with him. Such documents were also available with the AO who has passed the impugned assessment order under the Income-tax Act.

13. During the assessment proceedings under the BMA, the Assessing Officer has passed order u/s 10(3) of the BMA, 2015 dated 06.12.2021 and has concluded as under:

7.3.1 The above submission was discussed at length with the AR of the assessee, who is also the AR of Ms. Ritu Verma. It has been reiterated by the AR as per order sheet entry dated 30.11.2021 that without prejudice to the denial of ownership of any undisclosed foreign assets by Ms. Ritu Verma and the assessee Ms. Shriti Verma, should the Department hold that any undisclosed foreign assets are taxable in the hands of Ms. Ritu Verma and/or Ms. Shriti Verma, the same should be assessed as the undisclosed foreign assets of Ms. Ritu Verma,

7.4 In the view of the totality of circumstances, it is clear that for STEL, Ms. Shriti Verma is clearly not the beneficial owner In-fact, as per the express instruction of Ms. Ritu Verma, the assessee, Ms. Shriti Verma would have become the beneficiary only in the event of the death of Ms. Ritu Verma.

"7.4.1 Even for the case of Master Experts Investments Ltd, the control and ownership of the assets clearly lives with Ms. Ritu Verma. Assets have been received in the entity Master Experts Investments Ltd from STEL, an entity clearly beneficiary owned by Ms. Ritu Verma. The inclusion of the name of Ms. Shriti Verma in the list of beneficial owners of Master Experts Investments Ltd, in addition to Ms. Ritu Verma clearly stems from the intention of Ms. Ritu Verma to bestow the assets held in Master Experts Investments Ltd to Ms. Shriti Verma, an intention clearly expressed through her letter dated 09.06.2009 issues in respect of STEL. This however does not make such assets taxable in the hands of Ms. Shriti Verma. It is clear that such undisclosed foreign assets in the form of assets held in STEL, and Master Experts Investments Ltd have Ms. Ritu Verma as the beneficial owner.

7.4.2 In view of the above, I find that the various foreign assets forming the basis of issue of the notice u/s 10(1) dated 30.1.2020 in the case of the assessee are actually not held by the assessee Ms. Shriti Verma as the beneficial owner but are held by Ms. Ritu Verma as the beneficial owner. Accordingly, no addition is being made herein so far as the assessee Ms. Shriti Verma is concerned.

14. The basis for making impugned addition under the income tax assessment was that the appellant was the beneficial owner of the undisclosed foreign assets. In view of the above referred findings of the AO during the proceedings u/s. 10(3), wherein it was held that the appellant was not the beneficial owner of the undisclosed assets, the findings of the AO in the impugned assessment order under the I.T Act are contrary to the findings of the AO under the BMA.

15. *Therefore, the subsequent findings under the BMA proceedings are contrary to the findings of the AO in the assessment order u/s. 143(3) dated 27.12.2018. While the findings in the assessment order u/s. 143(3) are based upon surmises, the findings in the assessment order under BMA are based upon detailed examination and appreciation of documents and evidences.*

16. *As the substantive addition under the BMA has not been made in the case of the appellant, therefore the protective addition does not survive.*

17 *In view of the above, the protective addition of Rs. 45,17,24,929/- made by the appellant is deleted. Accordingly, Ground No. 2 and 3 are allowed.”*

4. We have given our thoughtful consideration to the Revenue's and the assessee's respective vehement submissions. Suffice to say, the sole issue herein is that of correctness of the learned CIT(A)'s action reversing the assessment findings treating the assessee as the beneficial owner of the alleged foreign bank account(s) herein. The Revenue could hardly dispute that the learned Assessing Officer itself had passed its assessment order under section 10(3) of the Black Money Act, 2015 herein (supra) holding the assessee Ms. Shriti Verma as not the beneficial owner. This clinching finding has gone unrebutted from the Revenue side. We are accordingly of the considered view that the learned CIT(A)'s detailed findings hereinabove do not warrant any interference on our part since the same are based on the Assessing Officer's assessment only. The Revenue fails in its instant sole substantive ground in very terms therefore.

No other ground or argument has been pressed before us.

This Revenue's "lead" appeal ITA No. 4483/Del/2024 is dismissed. Its latter three appeals ITA Nos. 4484, 4485 & 4486/Del/2024 also follow the suit since raising the foregoing sole substantive issue.

5. These Revenue's four appeals ITA Nos. 4483, 4484, 4485 & 4486/Del/2024 are dismissed in above terms. A copy of this common order be placed in the respective case files.

Order pronounced in the open court on 4th November, 2025

Sd/-

**(NAVEEN CHANDRA)
ACCOUNTANT MEMBER**

Sd/-

**(SATBEER SINGH GODARA)
JUDICIAL MEMBER**

Dated: 11th November, 2025.

RK/-

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar, ITAT, New Delhi