



Hon'ble ITAT Bench Kolkata held that the Amount received by surrendering the insurance policy before maturity, of which premium has been paid by the Non-resident Indian is not undisclosed income under Black money (UFIA) and imposition of Tax Act, 2015.

Srinjoy Bose Versus M/s A.D.I.T [TS-105-ITAT-2023(Kol)]

Kolkata, Mar 13, 2023

The assessee was a non-resident for tax purposes at the relevant point of time, The assessee purchased two insurance policies from foreign insurance companies. Paid the premium out of his NRI income, and the premium has been paid by the assessee and his father for several years thereafter they have discontinued paying the premium. They were under the bonafide belief that the insurance policy has been forfeited. But later on, the insurance company provide them with the opportunity to get the surrender value of the insurance policy. The same amount received by the assessee has been considered the undisclosed foreign income by the Assessing officer under the black money Act. 2015.

The Hon'ble ITAT bench Kolkata held the amount received by the assessee by surrendering the insurance policy is not the undisclosed income under the black money act 2015.

- As the insurance policy was purchased by the income which is not taxable in India.
- The assessee was under bona fide belief that since the premium on insurance policies was discontinued after 2010, it will not be any income and the investments made must have been forfeited because the remaining premiums were not paid hence Hon'ble ITAT decides in favour of the assessee.

