

**IN THE INCOME TAX APPELLATE TRIBUNAL (VIRTUAL COURT)  
"SMC" BENCH, MUMBAI**

**BEFORE SHRI C.N. PRASAD, HON'BLE JUDICIAL MEMBER**

**ITA NOs. 1835 & 1836/MUM/2020  
(A.Ys: 2014-15 & 2013-14)**

ACIT – Central Circle – 1(3) Room No. 905, 9 <sup>th</sup> Floor Pratishtha Bhavan C.G.O. Building (Annexe) M.K. Road, Mumbai - 400020	v.	M/s. Star One Realcon Pvt. Ltd., 115, 4 <sup>th</sup> Floor Development Bank Building Crawford Market Mumbai - 400001  <b>PAN: AANCS7486C</b>
<b>(Appellant)</b>		<b>(Respondent)</b>

<b>Assessee by</b>	<b>:</b>	<b>Shri Prakash Jhunjunwala</b>
<b>Department by</b>	<b>:</b>	<b>Shri Sanjay J. Sethi</b>
<b>Date of Hearing</b>	<b>:</b>	<b>27.09.2021</b>
<b>Date of Pronouncement</b>	<b>:</b>	<b>25.11.2021</b>

**ORDER**

**PER C.N. PRASAD (JM)**

1. These two appeals are filed by the Revenue against different orders of the Learned Commissioner of Income Tax (Appeals) – 47, Mumbai

[hereinafter in short "Ld.CIT(A)"] dated 28.02.2020 for the A.Ys. 2013-14 and 2014-15.

2. In both these appeals the revenue challenged the order of the Ld.CIT(A) in deleting the addition made by the Assessing Officer on account of bogus loans u/s. 68 of the Act.

3. At the outset, Ld. Counsel for the assessee submits that the revenue effect in both these appeals is less than ₹.50 Lakhs and in view of the CBDT Circular No. 17/2019 dated 08.08.2019 the appeals are not maintainable.

4. On the other hand, Ld. DR submits that the appeals are covered under exception provided under clause 10(e) of the CBDT Circular No. 17/2019 dated 08.08.2019 which states that when additions are made based on the information received from "external sources" the revenue appeals cannot be dismissed on monetary grounds. Ld. DR submitted that this is a case where information has been received from external

sources based on which re-assessment was made u/s.147 of the Act and therefore it falls under the exception clause.

5. Heard both sides, perused the Authorities below. It is observed from the Assessment Orders that the Assessing Officer recorded a finding at Para No. 2.2 for the A.Y. 2013-14 as under: -

*"2.2. On a perusal of the case records, it is seen that an intimation has been received from the then DIT (Inv).-II, Mumbai that the assessee is one of the beneficiaries of accommodation entry for loan amounting to Rs.20,00,000/- from M/s. Mother Exports during the year which are proved to be benami concerns managed and controlled by Shri Bhanwarlal Jain and group.*

6. As could be seen from the above it is the finding of the Assessing Officer that the information has been received from the DIT(Investigation)-II, Mumbai that the assessee is one of the beneficiary of accommodation entries. Similar finding has been given by the Assessing Officer for the A.Y. 2014-15 in Para No. 2.3 of the Assessment Order.

7. The Coordinate Bench of this Tribunal considered similar issue in the case of ITO v. Late Shri Amarchand P. Shah (legal heir Shri Nitin A.

Shah) in ITA.No. 818 to 820/Mum/2017 dated 08.07.2019, wherein it has been held that DGIT (Inv.), Mumbai is not an external agency but it is only an internal agency of the revenue department and therefore does not fall under the exception under clause 10(e) of the said circular. Undisputedly in both these appeals the tax effect is less than ₹.50 lakhs. Following the order of the Tribunal and applying the CBDT Circular No. 17/2019 dated 08.08.2019 these two appeals of the revenue are dismissed on account of low tax effect.

8. In the result, appeals of the Revenue are dismissed.

Order pronounced on 25.11.2021 as per Rule 34(4) of ITAT Rules by placing the pronouncement list in the notice board.

Sd/-  
**(C.N. PRASAD)**  
**JUDICIAL MEMBER**  
Mumbai / Dated 25/11/2021  
Giridhar, Sr.PS

**Copy of the Order forwarded to:**

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

//True Copy//

BY ORDER

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