

**IN THE INCOME TAX APPELLATE TRIBUNAL
“D” BENCH MUMBAI**

**BEFORE SHRI SAKTIJIT DEY, VICE PRESIDENT &
SHRI MAKARAND VASANT MAHADEOKAR, ACCOUNTANT MEMBER**

**ITA No. 7702/Mum/2025
(Assessment Year: 2018-19)**

ITO- 16(3)(1), Room No. 447, Aayakar Bhavan, M. K. Road, Mumbai-400 020	Vs.	Rafeeq Peermohideen, Office 301, 3 rd Floor, Rehman House, Building No. 18, Nadir Shah Sukhina Street Fort, Mumbai- 400 001
PAN/GIR No. ALEPP3176H		
(Applicant)		(Respondent)

Revenue by	Shri Annavaram Kosuri, Ld. DR
Assessee by	None

Date of Hearing	09.02.2026
Date of Pronouncement	10.02.2026

आदेश / ORDER

PER MAKARAND VASANT MAHADEOKAR, AM:

This appeal is filed by the Revenue against the order dated 30.09.2025 passed by the Commissioner of Income-tax (Appeals), National Faceless Appeal Centre, Delhi [hereinafter referred to as “CIT(A)”], under section 250 of the Income-tax Act, 1961

[hereinafter referred to as “the Act”]for A.Y. 2018-19, arising from the assessment order passed under section 143(3) dated 11/03/2021 by the National e-Assessment Centre, Delhi [hereinafter referred to as “Assessing Officer”].

Facts of the Case

2. The assessee is an individual engaged in professional practice as a High Court Lawyer. The return of income for A.Y. 2018-19 was filed on 11/09/2018 declaring total income of Rs. 19,06,470/-. The case was selected for scrutiny under the Faceless Assessment Scheme to verify specific information pointing to tax evasion.

3. During the year, the assessee purchased a residential property for Rs. 2,38,25,000/- inclusive of stamp duty and registration charges. The source of investment was explained as:

- Sale proceeds of earlier flat: Rs. 1,90,00,000/-
- Balance stated to be from unsecured loans and accruals.

4. The Assessing Officer found that the assessee had accepted unsecured loans aggregating to Rs. 73,05,000/- from 21 persons. On examination of the bank statements, the AO observed that in several cases, cash was deposited in the bank accounts of the lenders immediately before issuance of cheques to the assessee. The AO treated Rs. 66,05,000/- as unexplained investment under section 69. Further, the AO rejected the books of account under section 145(3) and estimated professional income at 50% of gross

receipts of Rs. 58,65,000/- by applying section 44ADA read with section 144. Consequently, addition of Rs. 9,24,933/- was made. The total income was assessed at Rs. 94,36,400/- under section 143(3).

5. The assessee preferred an appeal before CIT(A), who recorded a categorical finding that the assessee had furnished identity and creditworthiness of the lenders and that the loans were repaid through banking channels. It was observed that the AO had not conducted any further enquiry from the creditors. Accordingly, the CIT(A) deleted the addition of Rs. 66,05,000/- made under section 69.

6. With regard to estimation of income, the CIT(A) observed that the books were audited under section 44AB and details of expenses were furnished. It was held that estimation at 50% of gross receipts was not justified. Consequently, the addition of Rs. 9,24,933/- was deleted.

7. Aggrieved by the order of CIT(A), the Revenue is in appeal before us raising following grounds of appeal:

1. *On Facts and in Law, the Ld. CIT(A) erred in deleting the addition of Rs. 66,05,000/- made by the AO u/s 69 of the Income-tax Act, 1961, without appreciating that the assessee failed to discharge the onus of proving the genuineness and creditworthiness of the creditors and the source of funds.*
2. *On Facts and in Law, the Ld. CIT(A) failed to consider that the alleged creditors had deposited equivalent amounts in cash immediately prior to issuing cheques to the assessee, clearly establishing that the loans were accommodation entries and not genuine transactions.*

3. *The Ld. CIT(A) erred in law and on facts in deleting the addition of Rs. 9,24,933/- made by the AO after validly rejecting the books of account u/s 145(3), ignoring the fact that the assessee failed to produce complete bills and vouchers for large expenditure claims.*
4. *The Ld. CIT(A) erred in not appreciating that the AO's estimation of income @50% of receipts was reasonable, based on the presumptive benchmark under section 44ADA, in absence of verifiable records.*
5. *The appellant craves leave to add, alter, modify, or withdraw any of the above grounds at the time of hearing.*

8. At the time of hearing, none appeared on behalf of the assessee. However, a written preliminary objection was filed contending that the appeal of the Revenue is not maintainable on account of low tax effect. It is stated therein that the Revenue itself has computed the tax effect at Rs. 54,66,284/-. The monetary limit prescribed for filing appeal before the Tribunal as per CBDT Circular No. 09/2024 dated 17.09.2024 issued under section 268A of the Act is Rs. 60,00,000/-. It was further contended that the case is not covered by any of the exceptions provided in CBDT Circular No. 5/2024 dated 15.03.2024.

9. The learned Departmental Representative fairly conceded that the tax effect involved in the present appeal is below Rs. 60,00,000/- and that the case does not fall within any of the exceptions.

10. We have considered the preliminary objection and perused the material on record. CBDT Circular No. 09/2024 dated 17/09/2024 issued under section 268A of the Act prescribes a monetary limit of Rs. 60,00,000/- for filing appeals before the Tribunal. The tax effect in the present case, as computed by the

Revenue itself, is Rs. 54,66,284/-, which is below the prescribed threshold.

11. The learned Departmental Representative has also fairly conceded that the case does not fall under any of the exceptions specified in paragraph 3.1 or paragraph 3.2 of CBDT Circular No. 5/2024 dated 15/03/2024.

12. In view of the binding instructions issued by the CBDT under section 268A of the Act, the present appeal filed by the Revenue is not maintainable on account of low tax effect.

13. Accordingly, without adjudicating the grounds raised on merits, the appeal of the Revenue is dismissed in limine as not maintainable.

14. However, liberty is granted to the Revenue to move appropriate application in case it is subsequently found that the case falls within any of the exceptions provided in the aforesaid circulars.

15. In the result, the appeal filed by the Revenue is dismissed on account of low tax effect.

Order pronounced in the open court on 10.02.2026.

Sd/-
(SAKTIJIT DEY)
VICE PRESIDENT

Sd/-
(MAKARAND VASANT MAHADEOKAR)
ACCOUNTANT MEMBER

Mumbai, Dated 10/02/2026
Dhananjay, Sr.PS

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

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

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

1.

उप/सहायक पंजीकार (Asst. Registrar)
आयकर अपीलीय अधिकरण, मुम्बई / ITAT, Mumbai