Amol

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO. 1074 OF 2024

Pr Commissioner of Income Tax 5 Mumbai …Appellant

Versus

P & Y Enterprises Pvt. Ltd.
AY 2015 16 ITA 3685 MUM 2023 …Respondent

Mr. Vikas T. Khanchandani, *i/b, Mr Eshaan Saroop, for the Appellant.*

Mr. Sameer Dalal, *for the Respondent.*

CORAM **M.S. Sonak &**
Advait M. Sethna, JJ.
DATED: **13 November 2025**

PC:-

1. Heard Mr. Khanchandani for the Appellant and Mr. Dalal for the Respondent.

2. Though the tax effect in this Appeal is only Rs. 30,90,000/-, Mr. Khanchandani relies on the exceptions in the Central Board of Direct Taxes Circular.

3. Without going into the issue of whether this Appeal indeed falls within the exceptions, we have heard the learned Counsel for the parties on merits.

4. Mr. Khanchandani proposes the questions formulated in paragraph 4 of the Appeal memo for the admission of this Appeal. He submits that these questions amount to substantial questions of law.

5. However, in our opinion, these are not questions of law, much less, substantial questions of law. In effect, the Revenue desires, we interfere with the finding of fact recorded by the Income Tax Appellate Tribunal (ITAT) by reassessing the material on record. This is normally not an exercise undertaken by us in an Appeal under Section 260A in the absence of any case of perversity being made out.

6. The Tribunal, in paragraph 11 and 12 of its judgment and order has referred to the factual material available before it on the aspect of credit worthiness of the lender. Therefore, this is not some case of absence of any evidence. This is also not a case of any relevant evidence being overlooked or irrelevant material forming the basis of the finding of fact. The inference drawn from the material on record is also quite reasonable.

7. The Tribunal has correctly noted that the assessing officer did not conduct any enquiry but merely relied upon the information contained in the reasons for reopening of the assessment. In any event, based upon the material referred to by the ITAT in paragraph 11 of the impugned order, it is difficult to hold that there is any perversity involved in the finding of fact recorded by the ITAT.

8. For all the above reasons we hold that this Appeal involves no substantial questions of law. Accordingly, this Appeal is dismissed without any costs order.

(Advait M. Sethna, J) **(M.S. Sonak, J)**