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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO. 269 OF 2024

Pr. Commissioner of Income Tax Central 1
Mumbai : Appellant.
Versus
Hasmukh I Gandhi : Respondent

Mr. Akhileshwar Sharma, (Through V.C.), for the Appellant.
Ms. Aasavari Kadam, for the Respondent.

CORAM M.S. Sonak &
Advait M Sethna, JJ.
DATED: 07 November 2025

PC:-

1. Heard Mr. Akhileshwar Sharma for the Appellant and Ms. Aasavari Kadam for the Respondent.

2. Though the tax effect in this Appeal is less than Rs.2 Crores, Mr. Sharma submits that the same is required to be decided on merits given the provisions in Clause 10(d) of the CBDT Circular dated 11 July 2018.

3. Therefore, we have now heard learned counsel for the parties on merits.

4. The challenge in this Appeal is to the order of the ITAT setting aside the penalty imposed upon the assessee. The ITAT has taken the view that since the irrelevant particulars in the cyclostyled show cause notice were not struck of, the show cause notice was vague. Based on such a show cause notice, no penalty could have been imposed.

5. The ITAT has relied on the decision of the Full Bench of this Court in the case of **Mohd Farhan A Shaikh Vs. Deputy Commissioner of Income Tax, Central Circle 1, Belgaum**[1].

6. We have perused the record and we find that the show cause notice based upon which the penalty was imposed upon the assessee was indeed vague and incapable of a proper response. The Full Bench in the case of *Mohd. Farhan A Shaikh* (Supra) has held that such a vague show cause notice cannot be the foundation for imposing any penalty upon the assessee.

7. Therefore, the issues raised in this Appeal stand covered against the revenue given the decision of the Full Bench in the case of *Mohd. Farhan A Shaikh* (supra). In such circumstances, we are satisfied that this Appeal does not involve any substantial question of law.

8. The Appeal is accordingly dismissed without any order for costs.

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

[1] (2021) 125 taxmann.com 253