Chaitanya

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

INCOME TAX APPEAL NO. 500 OF 2025

The Principal Commissioner of Income Tax-20 … Appellant

Versus

M/s. ARV Enterprises … Respondent

Ms. Mamta Omle, for Appellant.

CORAM : M.S. Sonak &
Advait M. Sethna, JJ.

DATED : 20 November 2025

PC:-

1. Heard Ms. Omle for the Appellant.

2. The tax effect in this case is Rs. 23,66,815/-. However, Ms. Omle submits that the Appeal would fall within the exception in the CBDT Circular dated 15 March 2025.

3. Without going into the issue of whether this Appeal indeed falls within the exception, we have heard Ms. Omle on merits.

4. Ms. Omle urges the formulation of the questions in paragraph 10(a) and 10(b) of the Appeal memo. She submits that there is a finding about the Respondent-Assessee indulging penny stock. Still, relief is granted to the Respondent-Assessee and this is contrary to the law laid down in the decisions referred to question 10(b).

5. We have considered Ms. Omle's contentions after perusing the record and the decision of the ITAT.

6. After such consideration, we are satisfied that this Appeal involves no substantial question of law.

7. The issues raised in this Appeal are merely factual. The ITAT, in paragraphs 8, 9 and 10 has considered the factual aspects and written findings of facts. The ITAT has also reasoned that the information based upon which the case was reopened was incorrect and therefore, there was no justification for reopening. The ITAT has noted that there was no sale entry for the amount of Rs. 21,65,638/-. The ITAT has also recorded a finding of fact that this was not a case of a typical accommodation entry in penny stock. All such findings of fact cannot be reviewed in the exercise of our limited jurisdiction under Section 260A of the IT Act.

8. The answers to the questions proposed by Ms. Omle will turn on the factual aspects. The factual findings recorded by the ITAT are based on the material on record and therefore, it is not possible to detect any perversity in the recording of such findings. Even in our limited jurisdiction, it would not be appropriate for us to reassess or review the material on record.

9. For all the above reasons, we dismiss this Appeal on the ground that it involves no substantial questions of law.

10. No costs.

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