

IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” BENCH, MUMBAI
BEFORE SMT. BEENA PILLAI (JUDICIAL MEMBER)
I.T.A. No. 6056/Mum/2025
Assessment Year: 2018-19

Gedalia Multitrading Pvt. Ltd. 2-B/16, G.B., Apartments Saibaba Nagar Borivali (West) Mumbai - 400092 [PAN: AAFCG0456N]	Vs.	NFAC/ITO-12(2)(1), Mumbai
(Appellant)		(Respondent)

Assessee by	Shri Bhavik Chheda a/w Shri Prathamesh Chavan, ARs
Revenue by	Shri Limbasiya Kavan Nareshkumar, Sr. DR.

Date of Hearing	03.02.2026
Date of Pronouncement	06.02.2026

ORDER

Per Smt. Beena Pillai, JM:

Present appeal filed by assessee arises out of order dated 19/09/2025 passed by NFAC, Delhi [hereinafter “the Ld.CIT(A)”], for Assessment Year 2018-19, on the following grounds of appeal:-

“The following are Grounds of Appeal against the Order dated 19.09.2025 passed by Ld. Commissioner of Income Tax Appeals (NFAC), Delhi (“Ld. CIT(A)”) bearing DIN.: ITBA/NFAC/S/250/2025-26/1080910319(1).

- 1. On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in dismissing the appeal without appreciating that the jurisdictional requirements to re-open the case of Appellant were not fulfilled in terms of Section 147 to Section 151 of the Act.*
- 2. On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in rejecting the books of accounts of the Appellant in violation of conditions stipulated under Section 145(3) of the Act.*
- 3. On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in not discussing Appellant's case on merits or adjudicating the individual grounds raised by Appellant by considering the statement of facts as well as relevant material available on record including Appellant's Written Submissions.*
- 4. On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in passing the Impugned Order in violation of Section 250(6) of the Act.*

5. *On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in not appreciating the fact that the Ld. AO had passed the Assessment Order in gross violation of principles of natural justice and without jurisdiction.*

6. *On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in merely confirming the additions made by Ld. AO under Section 68 read with Section 115 BBE of the Act, without any independent reasoning or application of mind thereof.*

7. *On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in not granting the Appellant an opportunity of personal hearing specifically requested for, before passing of the Impugned Order.*

8. *The appellant craves to add, alter or delete any of the grounds of appeal.”*

2. At the outset, the Ld. AR submitted that, in Ground No. 1, the assessee is raising a legal issue challenging the reopening of assessment u/s 148 of the new regime.

He submitted that the assessee was served with notice u/s 148A(b) on 11/03/2022, accompanied only by an annexure containing the reasons recorded. The Ld. AR submitted that the assessee was not provided with the report of enquiry and the materials that were considered for reopening the assessment. The Ld. AR placed on record a screenshot of the ITBA portal showing that only the notice was issued without any annexures/information being attached thereto. The Ld. AR submitted that, the impugned notice u/s 148A(b) was thus not issued as per the requirement of the new regime introduced by the Finance Act, 2021.

2.1. It was submitted that, the procedure prescribed u/s 148A(b) of the Act, as well as the principles of natural justice, were violated in as much as the assessee was not provided with the information and material required to be furnished u/s 148A(b) of the Act. The Ld. AR submitted that, in the absence of such material, the assessee was

precluded from filing an effective reply to the show cause notice and, thus, the entire procedure under the new provisions of Section 148A of the Act is bad in law. The Ld.AR placed reliance on the following decisions:-

- *Hon'ble Bombay High Court* in the case of *Anurag Gupta vs. ITO* reported in [2023] 150 taxmann.com 99
- *Hon'ble Jharkhand High Court* in the case of *Chotanagpur Diocesson Trust Asson. v. UOI* reported in [2023] 156 taxmann.com 273 (Jharkhand)

2.2. On the contrary, the Ld. DR vehemently opposed the arguments advanced by the Ld. AR. He submitted that, along with the notice issued u/s 148A(b), the reasons recorded had been annexed and that the same was sufficient for the assessee to furnish a reply.

I have perused the submissions advanced by both sides in light of the material placed on record.

3. In the present case, admittedly, no material was supplied to the assessee, notwithstanding the fact that, there was material available with the Ld. AO. It is clear from the assessment order that, only the gist of information was shared by the Ld. AO by way of reasons recorded along with the notice u/s 148A(b) of the Act.

3.1. It is an admitted legal position that the materials forming the basis of reopening have to be supplied in terms of the new provisions of the Act, failing which, the assessee is precluded from filing an effective response. This position stands fortified by the

directions of the *Hon'ble Supreme Court* in the case of *Union of India vs. Ashish Agarwal* reported in (2022) 444 ITR 1 (SC).

3.2. This *Tribunal* is, therefore, of the opinion that the notice issued u/s 148 of the Act under the new regime is bad in law, as the order passed u/s 148A(d) was passed without providing proper opportunity to the assessee to represent its case, in accordance with law. Consequently, the entire assessment proceedings are rendered bad in law. However, it is open to the Revenue to proceed in the matter from the stage of notice u/s 148A(b) of the Act by supplying the relevant material, subject to the issue of limitation.

Accordingly, Ground No. 1 raised by the assessee stands allowed and the assessment order is quashed.

As a result, the issues raised by the assessee on merits become academic.

In the result, the appeal filed by the assessee stands allowed.

Order pronounced in the open court on 06/02/2026

Sd/-

**(BEENA PILLAI)
Judicial Member**

Mumbai
Dated: 06/02/2026
SC Sr. P.S.

Copy of the order forwarded to:

- (1) The Appellant
- (2) The Respondent
- (3) The CIT
- (4) The CIT (Appeals)
- (5) The DR, I.T.A.T.

True Copy
By order

(Asstt. Registrar)
ITAT, Mumbai