

**IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH "B", MUMBAI**

**BEFORE JUSTICE (RETD.) C.V. BHADANG, PRESIDENT AND
SHRI ARUN KHODPIA, ACCOUNTANT MEMBER**

ITA NO.7447/MUM/2025 : A.Y. : 2017-18

BBN Infrastructure Pvt. Ltd. Vs. Income Tax Officer 15(1)(1), Mumbai

Block No.4/2, Jai Bhavani Marg

Mulund Colony

Mulund-West

Mumbai- 400 082

PAN: AAECB9944R

(Appellant)

(Respondent)

Appellant by : Shri Satyaprakash Singh, CA

Respondent by : Shri Layaqat Ali Aafaqui, Sr. AR

Date of Hearing : 22/01/2026

Date of Pronouncement : 04/03/2026

ORDER

PER JUSTICE (RETD.) C.V. BHADANG, PRESIDENT :

By this appeal, appellant assessee is challenging the order dated 18.09.2025 passed by National Faceless Appeal Centre, Delhi (NFAC), Delhi ('CIT(A)' for short) thereby confirming the order dated 29.05.2023 passed by the Assessing Officer ('AO' for short) under Section 147 r.w.s. 144B of the Income Tax Act, 1961 ('Act' for short). The appeal relates to A.Y.2017-18.

2. The brief facts are that the appellant company did not file any Return of Income (RoI) for the assessment year in question. The Assessing Officer had received information indicating that during the year under consideration, the appellant had undertaken financial transactions to the tune of Rs.10,54,39,205/- which includes cash withdrawals from current account of Rs.2,01,28,043/-, cash deposits in current account

of Rs.4,93,000/- and had received contractual receipts of Rs.8,48,18,162/- on which TDS was deducted u/s.194C of the Act. On the basis of the said information the case was reopened. The Assessing Officer issued statutory notices in response to which, the appellant filed RoI on 06.05.2023. Subsequently, a notice u/s.143(2) came to be issued on 08.05.2023. It appears that a show-cause notice was issued to the appellant in view of the provisions of Section 144 of the Act in response to which the appellant filed some of the books of account, ledger bills and vouchers on 19.05.2023 and 23.05.2023. The Assessing Officer however, by an order dated 29.05.2023 made the following disallowances / additions:-

- i. An addition of Rs.85,21,901/- under Section 68 of the Act.
- ii. In the absence of details, depreciation claimed @15% amounting to Rs.4,18,226/- was disallowed by the AO.
- iii. An addition of Rs.13,98,209/- under Section 40A(3) of the Act.
- iv. In the absence of explanation for negative cash balance, addition of Rs.2,26,113/-.

3. Feeling aggrieved, the appellant challenged the same before the Id. CIT(A). The Id. CIT(A) has dismissed the appeal vide the impugned order dated 18.09.2025. Hence, this appeal.

4. We have heard parties. Perused record.

5. The only contention raised on behalf of the appellant is that the appellant has not been granted any opportunity of hearing and not even a notice was issued of the hearing of the appeal which is in breach of the principles of natural justice. The appellant has therefore, prayed for restoration of the appeal to the file of the Id. CIT(A).

6. The Id. DR has submitted that the appellant did not file the necessary documents / material before the Assessing Officer which has been noticed both by the Assessing Officer as well as Id. CIT(A) and therefore, no purpose would be served by remitting the matter back.

7. We have considered the submissions made. A bare perusal of the impugned order indicates that the only reasoning which can be found is in para 5 onwards. The order does not indicate as to whether even a notice of the hearing of the appeal was issued or not. The Id. CIT(A) after reproducing the facts and grounds as raised before him has simply observed that except the statement made about the impugned disallowance / additions being unjustified, the assessee did not produce any documentary evidence in support of the contention. We find that such a course of action cannot be countenanced. The remedy of appeal is an important remedy available to the parties. The opportunity of hearing is a basic requirement which is in accordance with the principles of natural justice which seems to be violated in this case.

8. In that view of the matter, we find that the appeal has to succeed. The appeal is accordingly, allowed for statistical purposes. The impugned order is hereby set aside. The appeal filed by the appellant is restored to the file of the Id. CIT(A) for deciding it afresh in accordance with law and granting opportunity to the appellant.

9. Appeal is disposed of in the aforesaid terms.

Order pronounced in the open court on 04/03/2026.

Sd/-
(ARUN KHODPIA)
ACCOUNTANT MEMBER

Sd/-
(JUSTICE (RETD.) C.V. BHADANG)
PRESIDENT

Mumbai; Dated : 04/03/2026

Karuna, Sr. PS

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. The PCIT/CIT concerned
4. DR, ITAT, Mumbai
5. Guard File.

//True Copy//

BY ORDER,

(Assistant Registrar)
ITAT, Mumbai