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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 21th July, 2026

\+ W.P.(C) 4594/2026, CM APPL. 22433/2026 & CM APPL. 22434/2026

HIGH VISTA BUILDCON PVT LTD (EARLIER KNOWN AS VIKRAM ELECTRIC EQUIPMENT PVT LTD) .....Petitioner

Through: Ms. Kavita Jha, Sr. Adv. with Mr.Aditya Bali & Mr. Vaibhav Kulkarni, Advs.

versus

NATIONAL FACELESS APPEAL CENTRE (NFAC) DELHI & ORS. .....Respondents

Through: Mr. Abhishek Maratha, SSC, with Mr.Apoorv Agarwal & Mr.Viplav Acharya, JSCs, Ms. Nupur Sharma, Ms.Muskaan Goel & Mr.Himanshu Gaur, Advs

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE RAJNEESH KUMAR GUPTA

J U D G M E N T

REPORTABLE

DINESH MEHTA, J. ***(ORAL)***

1. By way of the present writ petition preferred under Articles 226 and 227 of the Constitution of India, the petitioner has challenged the order dated 28.07.2025 passed by Commissioner of Income Tax (Appeals) (National Faceless Appeal Centre - NFAC) (hereinafter referred to as '*CIT(A)*') under Section 250 of the Income Tax Act, 1961 (hereinafter referred to as '*the Act of 1961*').

2. Facts narrated briefly are that the petitioner had preferred an appeal against the assessment order dated 30.12.2019 passed under Section 143(3) of

the Act of 1961, before the CIT(A) on 28.01.2020.

3. When the Assessing Officer (hereinafter referred to as '*AO*') initiated penalty proceedings, the petitioner requested the AO to adjourn the hearing, as it was under an impression that its appeal against the original assessment order was pending.

4. During the course of penalty proceedings, the AO informed the petitioner that its appeal has been rejected. And it was only then, the petitioner came to realise/learn that its appeal has been decided.

5. The petitioner then downloaded a copy of the order passed by the CIT(A) on 28.07.2025 from the website/ Income Tax portal, which is subject matter of the instant writ petition.

6. Ms. Kavita Jha, learned senior counsel for the petitioner, submitted that out of multiple grounds, the principal ground on which the petition is premised is violation of principles of natural justice.

7. While informing that these days, the Departmental Authorities do not conduct physical hearing and hearing of the appeals is faceless wherein identity of the Appellate Authority is not disclosed and it is conducted through National Faceless Appeal Centre (NFAC), learned senior counsel for the petitioner submitted that the appellant made various representations before the Appellate Authority, so that they could properly explain the nature of transaction but no notice of hearing was provided to the appellant, let alone an opportunity of personal hearing or providing video conferencing link.

8. On the last date of hearing *i.e.* 19.05.2026, we directed Mr.Abhishek Maratha, learned senior standing counsel for the respondents, to complete instructions as to whether a system/procedure is in place which provides an option to the appellant/assessee for virtual hearing before the Appellate Authority.

9. Today, Mr. Maratha, learned senior standing counsel for the respondents, on instructions accepted the fact that the assessee had requested an opportunity of personal hearing to explain the facts of the case so also the fact that no link was communicated to the assessee.

10. In relation to notice of hearing, the report submitted by the Appellate Authority reveals that hearing notices under Section 250 of the Act of 1961 were issued on 04.12.2023, 12.12.2023, 05.01.2024, 30.08.2024, 11.09.2024 & 04.07.2025, and that the assessee participated in the appellate proceedings by filing adjournment requests and written submissions.

11. Ms. Jha, learned senior counsel, submitted that though above referred notices upto 04.07.2025 were received and the assessee had furnished written submissions. She submitted that it was incumbent upon the CIT(A) to have fixed a date of hearing after the appeal was ripe for hearing either in personal or virtual mode, so as to enable the assessee to explain its case, but, it was not done. She argued that above notices have thus, become illusionary. She added that the order impugned has been passed in utter violation of the principles of natural justice, for which it is liable to be quashed and set aside.

12. Mr. Maratha, learned senior standing counsel for the Department, submitted that after introduction of the faceless regime, perhaps, there is no physical- face to face hearing. He submitted that written submissions have been duly considered by the Appellate Authority, which conform to the principles of natural justice and thus, no interference is warranted.

13. Heard learned counsel for the parties.

14. The appellate proceedings and hearing of an appeal, according to this Court, presupposes hearing of an assessee or its authorised representative physically or in virtual mode - face to face or with face of the authority masked or behind curtain. Consideration of written submissions or memo of

appeal, can in no manner, substitute the oral or personal hearing. True it is that the Appellate Authority had given notices of hearing, in response whereof, the assessee had, on some occasions, sought adjournments and on other occasion(s) had filed written submissions and replies. But concededly it had sought virtual hearing, which admittedly was not provided by the Appellate Authority (NFAC).

15. The Appellate Authority has not provided any video conference link or virtual hearing to the petitioner. Such approach of the Appellate Authority has led to miscarriage rather failure of justice.

16. As pointed out by Ms. Jha, learned senior counsel for the petitioner, had the petitioner been given an opportunity of personal/virtual hearing, the petitioner could have perhaps better explained the nature of transaction i.e., (i) Disallowance of advances written off amounting to Rs.1,27,92,250/-, and (ii) Addition of advances under Section 68 of the Act of 1961 amounting to Rs.20,70,00,000/-.

17. Needless to observe that there are various issues which can be better explained with the help of personal or virtual assistance by assessee or its authorised representative. Mere written submissions or memo of appeal are not sufficient for proper adjudication.

18. We, therefore, allow the present writ petition, while setting aside the impugned order dated 28.07.2025 passed by the Appellate Authority. The appeal is restored to CIT(A) (NFAC). The NFAC shall issue a fresh notice of hearing to the petitioner and provide a video conference link. In case, video conference link facility is not available, the CIT(A) shall join the petitioner by way of any video conferencing mode (Zoom, Cisco Webex, Google Meet or any other virtual mode by way of WhatsApp etc.).

19. Since we have set aside the appellate order dated 28.07.2025 and

restored the appeal, the penalty order dated 16.03.2026 passed under Section 271AAC(1) and the order dated 18.03.2026 passed under Section 270(A) of the Act of 1961, are hereby quashed and set aside. The AO shall be free to pass a fresh order (if required) once the appeal is decided by the Appellate Authority.

20. The Chairman of the Central Board of Direct Taxes and the Principal Chief Commissioner of Income Tax (National Faceless Appeal Centre) shall co-ordinate and ensure that within three months, utility or facility of video conferencing, as is available during the course of assessment proceedings, is made available for the appellate proceedings under Section 250 of the Act of 1961, in case the same is not in vogue. It is necessary so that in case, any assessee or its authorised representative asks for video conferencing, the same can be provided, as a matter of right to the appellant or its authorised representative.

21. A copy of this order be sent to the Chairman, the Central Board of Direct Taxes and the Principal Chief Commissioner of Income Tax (National Faceless Appeal Centre) for compliance.

22. The writ petition along with all pending applications is also disposed of.

(DINESH MEHTA)
JUDGE

(RAJNEESH KUMAR GUPTA)
JUDGE

JULY 21, 2026/kk