

IN THE INCOME TAX APPELLATE TRIBUNAL “B” BENCH, MUMBAI

**BEFORE SHRI OM PRAKASH KANT, AM
AND
MS. KAVITHA RAJAGOPAL, JM**

ITA No.5656/Mum/2025
(Assessment Year: 2012-13)

Mr. Balkrishna Peruvad Bhandari, 129, Creatie Industrial Premises, Sundar Nagar Road No.2, Kalina, Santacruz (E), Mumbai – 400 098	Vs.	Income Tax Officer, Ward 27(1)(1), 406, 4 TH Floor, Tower No.6, Vashi Railway Station Commercial Complex, Vashi, Navi Mumbai - 400 703
PAN:AAIPB3921H		
(Appellant)	:	(Respondent)

Assessee by	:	Shri Devendra Jain, AR
Respondent by	:	Shri Layaqat Ali Aafaqui, Sr. AR

Date of Hearing	:	04.02.2026
Date of Pronouncement	:	09.02.2026

ORDER

Per Kavitha Rajagopal, JM:

This appeal has been filed by the assessee, challenging the order of the Learned Commissioner of Income Tax (Appeals) [‘Ld. CIT(A)’ for short], National Faceless Appeal Centre (“NFAC” for short) passed u/s. 250 of the Income Tax Act, 1961 (‘the Act’), pertaining to the Assessment Year (‘A.Y.’ for short) 2012-13.

2. The assessee has raised the following grounds of appeal:

“1. On the facts and in the circumstances of the case, and also in law, the Ld. CIT(A) erred in passing ex-parte order on the grounds of non-prosecution. Your appellant, therefore, prays that the impugned order be set aside and the matter may be restored to the file of the Ld. CIT(A) for de novo adjudication on its merits.



2. On the facts and in the circumstances of the case, and also in law, the Ld. CIT(A) erred in not deleting the addition made by the Ld. AO of Rs.2,00,812/- under head 'income from other sources' being amount spent by the appellant on credit card. Your appellant, therefore, prays that the aforesaid addition of Rs.2,00,812/- be deleted.

3. On the facts and in the circumstances of the case, and also in law, the Ld. CIT(A) erred in not deleting the addition made by the Ld. AO of Rs. 17,00,061/- being amount invested by the appellant in time deposit with Karnataka Bank Ltd treating the same as unexplained investment. Your appellant, therefore, prays that the aforesaid addition of Rs. 17,00,061/- be deleted.

4. On the facts and in the circumstances of the case, and also in law, the Ld. CIT(A) erred in not deleting the disallowance made by the Ld. AO of Rs. 10,14,398/- u/s. 40(a)(ia) of the Act. Your appellant, therefore, prays that the aforesaid disallowance of Rs. 10,14,398/- be deleted.

5. On the facts and in the circumstances of the case, and also in law, the Ld. CIT(A) erred in not deleting the disallowance made by the Ld. AO of interest expenditure of Rs.3,68,794/-. Your appellant, therefore, prays that the aforesaid disallowance of Rs.3,68,794/- be deleted.

6. On the facts and in the circumstances of the case, and also in law, the Ld. CIT(A) erred in not deleting the disallowance made by the Ld. AO of travelling expenses of Rs.1,09,325/-. Your appellant, therefore, prays that the aforesaid disallowance of Rs.1,09,325/- be deleted.

7. On the facts and in the circumstances of the case, and also in law, the Ld. CIT(A) erred in not deleting the following disallowances made by the Ld. AO

a. Staff Welfare	Rs. 3,135/-
b. Telephone	Rs. 25,698/-
c. Miscellaneous	Rs. 32,200/-
d. Conveyance	Rs. 3,838/-
e. Vehicle	Rs. 26,905/-
f. Depreciation on motor car	Rs. 22,707/-
Total	Rs. 1,14,483/-



Your appellant, therefore, prays that the aforesaid disallowance of Rs.1,44,483/- be deleted

8. On the facts and in the circumstances of the case, and also in law, the Ld. CIT(A) erred in not deleting the addition made by the Ld. AO of Rs.28,82,573/- being unsecured loan taken by the appellant treating the same as unexplained cash credit u/s. 68 of the Act. Your appellant, therefore, prays that the aforesaid addition of Rs.28,82,573/- be deleted.

9. On the facts and in the circumstances of the case, and also in law, the Ld. CIT(A) erred in not deleting the disallowance made by the Ld. AO of 73,484/-out of total interest of Rs.1,76,362/- paid to Yashodhara Shetty, treating the same as excessive. Your appellant, therefore, prays that the aforesaid disallowance of Rs.73,484/- be deleted.”

3. It is observed that the appeal has been filed belatedly with a delay of 254 days beyond the period of limitation. The assessee had filed an application for condoning the said delay along with an affidavit as per which the Learned Authorized Representative (“Ld. AR” for short) for the assessee contended that since the assessee was busy in attending his daughter’s divorce petition from 2022 to 2024 who was facing various difficulties at her matrimonial home and then the assessee, being a senior citizen was suffering from multiple medical conditions viz. the assessee was diagnosed with chikungunya in September 2024, then diagnosed with Grade-I fatty infiltration of liver and prostatomegaly in January 2025, then diagnosed with Oculoplegic migraine in June 2025, then was undergoing treatment from 24.03.2025 as he was suffering from frozen shoulder, the assessee could not attend to his tax matters and the delay occurred in filing the appeal before the Tribunal was due to sufficient and reasonable cause and hence the delay be condoned. The Ld. AR submitted that all the relevant documentary evidences to substantiate the cause of delay is also filed before us. Upon perusal of the same, we deem it fit to hold that the assessee had “sufficient cause” for the delay and hence the delay in filing the appeal beyond the period of limitation is hereby condoned.



4. Brief facts of the case are that the assessee is an individual and proprietor of M/s. Bhagirath Chemicals and engaged in the business of trading in chemicals and had filed his return of income on 27.09.2012 for the year under consideration declaring total income at Rs.2,68,510/-. The assessee's case was selected for scrutiny and notices u/s 143(2) and 142(1) of the Act were duly issued and served upon the assessee by the Learned Assessing Officer ("Ld. AO" for short). In response to the said notices, the assessee furnished the details called for. It was observed by the Ld. AO, as per the AIR information, that the assessee had spent Rs.2,00,812/- by credit card of ICICI and hence the assessee was asked to submit the details, purpose, nexus and nature of payment related to amounts spent through credit card. Further, the Ld. AO observed that the assessee has invested Rs.17,00,061/- in time deposits with Karnatka Bank Ltd. and the said details also appeared in the information received from CIB. The same was confronted to the assessee and was also asked to furnish the details of time deposit along with sources and necessary entries in the books as well as balance sheet and corresponding bank statement. However, inspite of several opportunities, the assessee did not furnish satisfactory explanation in this regard. Therefore, the Ld. AO added a sum of Rs.17,00,061/- to the income of the assessee under the head 'income from other sources' by way of unexplained investments in time deposit. The Ld. AO further disallowed a sum of Rs.10,14,398/- u/s 40(a)(ia) of the Act by observing that the TDS was not deducted on the expenses of interest paid to Bajaj Finance Auto Ltd., Tata Capital and Transport Charges. The Ld. AO also made disallowance of Rs.3,68,794/- towards the interest paid for the interest bearing loan of Rs.1,82,38,608/- availed by the assessee and disallowance of travelling expenses amounting to Rs.1,09,735/-



and disallowance on account of other expenses amounting to Rs.1,14,483/- as there was no explanation by the assessee on these issues. The Ld. AO then passed the assessment order u/s 143(3) of the Act dated 15.03.2015 determining the total income at Rs.66,59,370/-.

5. Aggrieved, the assessee was in appeal before the first appellate authority, who vide an *ex-parte* order dated 13.10.2023 upheld the order passed by the Ld. AO on the ground of non-compliance/non prosecution of the appeal on the part of the assessee.

6. Further aggrieved, the assessee is in appeal before us, challenging the order of the Ld. CIT(A) on the abovementioned grounds.

7. The Ld. AR for the assessee contended that since the assessee was preoccupied with his family affairs of his daughter's divorce proceedings and also due to multiple health complications the assessee was unable to comply with the proceeding before the first appellate authority. The Ld. AR prayed that the assessee be given one more opportunity to present his case before the first appellate authority as he has got a good case on the merits.

8. The Learned Departmental Representative ("Ld. D.R." for short), on the other hand, vehemently opposed to remanding the issue back to the file of the Ld. CIT(A) as the assessee was given several opportunities which were not complied with and the Ld. DR relied on the orders of the lower authorities.

9. We have heard the rival submissions and perused the materials available on record. We find justification in the arguments enhanced by the Ld. AR and hence we deem it fit to



extend the assessee with one more opportunity to present his case before the Ld. CIT(A) by adhering to the principles of natural justice and in the interest of justice dispensation. Hence, we remand all these issues back to the Ld. CIT(A) for *denovo* adjudication on the merits and in accordance with law after duly considering the assessee's submission along with documentary evidences, if any filed by the assessee. The assessee is also directed to strictly comply with the proceedings before the first appellate authority without any undue delay from his side.

10. In the result, the appeal filed by the assessee is hereby allowed for statistical purposes.

Order pronounced in the open court on 09.02.2026

Sd/-
(OM PRAKASH KANT)
ACCOUNTANT MEMBER

Sd/-
(KAVITHA RAJAGOPAL)
JUDICIAL MEMBER

Mumbai; Dated: 09.02.2026

* Kishore, Sr. P.S.

Copy of the Order forwarded to:

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

BY ORDER,

(Dy./Asstt.Registrar)
ITAT, Mumbai