

**IN THE INCOME TAX APPELLATE TRIBUNAL “G” BENCH, MUMBAI
BEFORE SHRI AMIT SHUKLA, JUDICIAL MEMBER**

AND

SHRI GIRISH AGRAWAL, ACCOUNTANT MEMBER

ITA No. 8014/MUM/2025

Assessment Year: 2017-18

Sharafat Sohrab Shaikh Room No. 1210, Sangam Nagar, Chikhalwadi Saltpent Road, Antop Hill Wadala East, Mumbai, Maharashtra, 400037 (PAN: BFBPS0696P)	vs	Income Tax Officer, Ward 26(3)(2), Mumbai
Appellant		Respondent

Present for:

Assessee by : Shri Sachin Dere, Advocate
Revenue by : Shri Pradipsinh Saktavat, Sr. DR.

Date of Hearing : 26.02.2026
Date of Pronouncement : 17.03.2026

ORDER

PER GIRISH AGRAWAL, ACCOUNTANT MEMBER:

This appeal filed by the assessee is against the order of National Faceless Appeal Centre (NFAC), Delhi vide Order No. ITBA/NFAC/S/250/2023-24/1058553234(1) dated 07.12.2023 passed against the assessment order by Ward 26(3)(2), Mumbai, u/s. 144 of the Income-tax Act, 1961 (hereinafter referred to as the “Act”), dated 23.12.2019 for AY 2017-18.

2. Grounds taken by the assessee are reproduced as under:

1. *The Appellant by way of the aforesaid Appeal is challenging the legality and validity of the Impugned Order dated 7th December, 2023 passed by the Hon'ble Commissioner of Income Tax (Appeals), Income Tax Department for A.Y.: 2017-2018.*

2. *The appellant is actively involved in the operation and management of a Grahak Seva Kendra (Customer Service Center), which is provided by M/s. Vakrangee Limited to the eligible candidate who meets the prescribed eligibility criteria set forth by the Company. The said M/s. Vakrangee Limited has issued the appellant official certification to carry out and run the Grahak Seva Kendra and its activities as per the terms and conditions decided by the said M/s. Vakrangee Limited.*

3. At the outset, Registry has noted delay of 638 days in filing the present appeal before the Tribunal, for which an affidavit along with petition for condonation of the delay is placed on record. First appellate order is dated 07.12.2023 for which appeal ought to have been filed by February 2024. However, as per the averments made by the assessee in his affidavit, it is noted that he met with an accident from bike, somewhere in January, 2024 which prevented him to carry out his activities. He has also explained the reasons for not attending the proceedings at the first appellate stage which resulted into an *ex parte* order passed by the Id. CIT(A), dismissing the same on account of non-prosecution. Assessee has also placed on record an affidavit, dated 28.11.2025, wherein it is explained that in the course of assessment proceedings, non-compliance was primarily because of pandemic Covid 2019.

3.1. We have considered the petition for condonation of the said delay. Upon perusal of the same and hearing both sides, we deem it fit to condone the delay on the ground that there was sufficient cause for the said delay. Accordingly, we take up the matter for adjudication.

4. Fact of the matter is that assessee filed his return of income on 23.07.2017 reporting total income at Rs.2,98,780/-. In the course of assessment proceedings, Id. Assessing Officer noted that assessee has deposited cash in his bank accounts, both during the period of

demonetisation as well as during the period other than demonetisation. Details in this respect as contained in the impugned assessment order is extracted below:

Bank and branch	Account holder name	a/c no.	Total cash during demonetization in demonetized currency	Cash Deposit during non-demonetized period
BOB, Wadala	Sharafat Shaikh	S04210400000154 BCA OD A/C	55,23,500	40,09,72,70
BOB, Wadala	Sharafat Shaikh	S04210100020786 S. A/C	2,51,000	28,950
Total			57,74,500	40,126,220

5. Ld. Assessing Officer had called for these details from the respective banks by issuing notices u/s.133(6). On receipt of these information from the respective banks, show cause notice was issued on the assessee, asking to explain the source of deposit of cash in the said bank accounts. Due to non-compliance, ld. Assessing Officer proceeded to complete the assessment u/s.144 by making an addition of gross profit at the rate of 5% on the amount of credits in the OD account which included demonetised currency, totalling to Rs.4,00,97,270/-. He thus, arrived at a GP addition of Rs.20,04,864/- under the head "income from business and profession" to make the addition thereof. He also made an addition of Rs.57,74,500/- on account of deposit of cash during demonetisation period of demonetised currency u/s.69A. Assessment was thus, completed *ex parte* u/s. 144 at assessed total income of Rs.80,78,144/-.

6. Ld. CIT(A) after taking note of the facts and the order of the ld. Assessing Officer proceeded to dismiss the appeal *ex parte* by observing that assessee did not file any written submission to explain his case.

7. Before us, Id. Counsel for the assessee has assured the Bench to make all the required compliances, once an opportunity is given to the assessee by restoring the matter back to the file of Id. Assessing Officer for *denovo* meritorious assessment. In this regard, he has placed his reliance on the two affidavits furnished by the assessee forming part of the records.

8. We have perused the order of the authorities below as well as averments made in the two affidavits by the assessee, based on which we find it appropriate to revert the matter back to the file of Id. Assessing Officer instead of Id. CIT(A), so as to avoid multiplicity of proceedings. Needless to say that assessee be given reasonable opportunity of being heard. We also direct the assessee to be diligent in making all his submissions, so as to comply with the notices for the hearing for effective and expeditious disposal of the assessment proceedings. Accordingly, grounds raised by the assessee are allowed for statistical purposes.

9. In the result, appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 17 March, 2026.

Sd/-
[Amit Shukla]
Judicial Member

Sd/-
[Girish Agrawal]
Accountant Member

Dated: 17 March, 2026.

MP, Sr.P.S

Copy to:

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

BY ORDER,

(Dy./Asstt. Registrar)
ITAT, Mumbai