

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI “A” BENCH: NEW DELHI**

**BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER &
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.5701/Del/2024
[Assessment Year : 2017-18]**

Alfa Modern Mobiles Pvt. Ltd. , vs ITO	
A-24/2, Naraina Industrial Area, Phase-I, New Delhi-110028. PAN-AAICA6087C	Ward-2(1) C.R. Building Delhi-110001
APPELLANT	RESPONDENT
Appellant by	Shri Pranshu Goel, CA & Shri Aditya Gupta, Adv.
Respondent by	Shri Ajay Kumar Arora, Sr.DR
Date of Hearing	04.02.2026
Date of Pronouncement	11.02.2026

ORDER

PER MANISH AGARWAL, AM :

The present appeal is filed by assessee against the order dated 10.10.2024 by Ld. Commissioner of Income Tax (A), National Faceless Appeal Centre (“NFAC”), Delhi [“Ld. CIT(A)”] in Appeal No. CIT (A), Delhi- 1/106641/2019-20 passed u/s 250 of the Income Tax Act, 1961 [“the Act”] arising out of assessment order dated 22.12.2019 passed u/s 143(3) of the Act pertaining to Assessment Year 2017-18.

2. Brief facts of the case are that assessee company is engaged in the trading of mobile phones and filed its return of income for the A.Y. 2017-18 on 08.11.2017, declaring total income at INR 8,38,870/-. The case was selected for scrutiny through CASS on the issue of abnormal increase in cash deposits during demonetization period as compared to pre-demonetization period. Notice u/s 143(2) was issued on 24.09.2018. Thereafter, notices u/s 142(1) and show cause notice were issued with detailed questionnaire from time to time. In response, the assessee company filed its replies alongwith part details. Thereafter, the AO assessed the income of the assessee at INR 1,25,60,336/- vide assessment order dated 22.12.2019 passed u/s 143(3) of the Act.

3. Against the said order, assessee filed an appeal before Ld. CIT(A) who vide order dated 10.10.2024, dismissed the appeal of the assessee.

4. Aggrieved by the order of Ld. CIT(A), assessee is in appeal before the Tribunal by taking following grounds of appeal:-

1. *“That the learned CIT(A) erred in confirming the addition of 280,55,000/- under Section 69A of the Income Tax Act, 1961, without properly appreciating that the cash deposited during the demonetization period was fully explained and accounted for as cash sales.*
2. *That the learned CIT(A) failed to consider that the cash deposits were already disclosed in the books of accounts and represented sales, thus making the addition unjustified and resulting in double taxation.*

3. *That the learned CIT(A) erred in law by not appreciating the explanation provided for the sundry creditors amounting to 29,81,925/-, leading to an unjust addition of the said amount.*
4. *That the learned CIT(A) was incorrect in confirming the disallowance of 50% of business promotion expenses (24,77,801/-), as sufficient documentary evidence was available to support the full claim.*
5. *That the addition of ₹5,00,000/- related to Keyman Insurance was wrongly confirmed by the learned CIT(A), as the assessee had adequate proof of payment which was not properly considered.*
6. *That the disallowance under Section 40(a)(ia) amounting to 17,06,740/- for non-deduction of TDS on Amazon commission was unwarranted, as the required TDS details were available and provided.*
7. *That the learned CIT(A) erred in rejecting the additional evidence under Rule 46A despite the fact that sufficient cause was shown for the delay in submitting such evidence. Moreover the additional evidences was only in respect of following additions:-*

- *That Complete Bills with evidence of TDS in respect of Business Promotion*
- *That Copy of Account of Sellryt Business Solutions & M/s Vision Enterprises giving PAN & bank statements as evidences of payment.*
- *That Receipt of payment of Keyman Insurance.*
- *That Evidences of TDS on commission paid to Amazon.*
- *That Copy of cash book (old Currency) for the period 01-11-2016 to 22-11-2016*
- *That Copy of cash book (new currency) for the period 09-11-2016 to 31-12-2016*

But all the addition challenged vide twenty Ground of Appeals were rejected on the ground that application u/s 46A is not acceptable and thus new evidence is not admissible. It is again prayed/ stated that application u/r 46A was only in respect of four additions as stated above. Moreover even the application u/s 46A has been rejected for without any valid ground.

8. *That the learned CIT(A) has been silent and not adjudicated on the following Grounds of appeal raised before him though there was no question of additional evidence in these ground:-*

** That Ld AO erred in law by rejecting cash sales without rejecting the books of accounts u/s 145(3) of IT Act which are duly audited u/s 44AB of IT Act.*

** That the Assessing Officer erred in making addition u/s 69A of the Act in the case of the appellant without appreciating that provisions of Section 69A are not applicable in the facts and circumstances of the case since the Appellant has already accounted for income represented by cash deposited in the bank and therefore, same cannot be considered to be undisclosed income in terms of Section 69A of the Act.*

** That the Ld AO has exceeded his jurisdiction by making enquiries for the issue which were not part of reasons for selection of case under CASS.*

9. *That the learned CIT(A) erred in not appreciating that the Assessing Officer had not followed proper procedure under the law and that the appellant was denied a fair opportunity to present their case.*
10. *That the levy of interest under Sections 234B and 234C of the Income Tax Act was incorrect and unjustified, as no proper satisfaction was recorded for the same, and the circumstances did not warrant such interest.*
11. *That the learned CIT(A) erred in law by applying the provisions of Section 115BBE of the Act without justifiable grounds, thereby determining an incorrect tax liability.”*

5. Heard the contentions of both parties and perused the material available on record. It is observed that Ld. CIT(A) has not decided the appeal of the assessee on merits by observing that no details were filed before the AO and all the relevant details have now been submitted under Rule 46A of the Income Tax Rules, 1962 before him. Ld. CIT(A) further observed that assessee has been able to tender the reason for not filing these details before the AO. He thus, by not admitting the additional evidences filed by the assessee, dismissed the appeal of the assessee.

6. It is a fact that the assessee had not filed the requisite details before the AO however, it is also a matter of fact that the assessee has filed part details before the AO in order to explain the nature and source of the cash deposits and other expenses claimed. The remaining details were filed before the Id. CIT(A) alongwith prayed under Rule 46A of the Act. Merely, for technical reasons, assessee should not be deprived of the substantive justice. Accordingly, in the larger interest of justice, we direct the Id. CIT(A) to admit the additional evidences filed by the assessee under Rule 46A and decide the appeal of the assessee on merits. Ld. CIT(A) is further directed to confront the additional evidences filed by the assessee to the AO and also provide adequate opportunities of being heard to the assessee. With these directions, all Grounds of appeal raised by the assessee are allowed for statistical purposes.

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

Order pronounced in the open Court on 11.02.2026.

Sd/-

**(ANUBHAV SHARMA)
JUDICIAL MEMBER**

Sd/-

**(MANISH AGARWAL)
ACCOUNTANT MEMBER**

Date:- 11.02.2026

Amit Kumar, Sr.P.S

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT
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ASSISTANT REGISTRAR
ITAT, NEW DELHI