

**IN THE INCOME TAX APPELLATE TRIBUNAL “G” BENCH, MUMBAI**

**BEFORE SHRI SAKTIJIT DEY, VICE PRESIDENT AND  
SHRI JAGADISH, ACCOUNTANT MEMBER**

ITA No. 6995/Mum/2025  
(Assessment Year: 2021-22)

Surajpal Singh Rathod Room No. 306, 3 <sup>rd</sup> Floor, Ramdarshan Building, Keshavrao Kadam Marg, Mumbai Central, Mumbai-400 008	Vs.	DCIT, Central Circle 4(2) Kautilya Bhavan, Mumbai-400 051
PAN/GIR No. ASFPR 6304 M		
<b>(Appellant)</b>	:	<b>(Respondent)</b>

<b>Appellant by</b>	:	Shri Ravi Ganatra, Adv.
<b>Respondent by</b>	:	Shri Swapnil Choudhari (Sr. DR)

<b>Date of Hearing</b>	:	22.01.2026
<b>Date of Pronouncement</b>	:	22.01.2026

**ORDER**

Per Saktijit Dey, Vice President:

This is an appeal by the assessee against order dated 30.08.2025 of Id. Commissioner of Income Tax, Appeals ('CIT(A)' for short)-52, Mumbai for the assessment year (A.Y. for short) 2021-22.

2. The solitary dispute arising in the appeal is in relation to addition of an amount of Rs.3,50,000/- as unexplained money u/s. 69A of the Income Tax Act, 1961 ('the Act' for short).

3. Briefly the facts are, the assessee is a resident individual. As stated by the Assessing Officer (A.O. for short), the assessee derives income from salary and other sources. In the assessment year under dispute, the assessee had filed his return of income on 16.12.2021,

declaring income of Rs.47,79,640/-. A search and seizure operation u/s. 132 of the Act was conducted on Rubberwala group and others on 17.03.2021. Under the same search and seizure operation, another company namely RD Telinet Pvt. Ltd., wherein the assessee is a Director, was also covered and even assessee's residential premises were also searched. However, no incriminating or valuable material was seized from the residential premises of the assessee. When the search operation was in progress in the business premises of RD Telinet Pvt. Ltd. one person named Yasir Arafat was found to be carrying a parcel containing cash of Rs.3,50,000/- meant to be handed over to the assessee. A statement was recorded from Yasir Arafat, in response to which, he submitted that the cash carried by him represented sale consideration of certain electronic goods like mobile LCD. This fact was confronted to the assessee and a statement was recorded from him on the date of search. In response to the query raised by the A.O., the assessee accepted that the cash of Rs.3,50,000/- received by him was on account of sale of LCD Touch combos to M/s. Bombay Store, Karnataka.

4. In course of assessment proceedings, based on the statements recorded, the A.O. called upon the assessee to explain why the cash amount should not be treated as assessee's income. In response, the assessee submitted that the cash of Rs.3,50,000/- actually belongs to RD Telinet Pvt. Ltd., representing cash sales made by the said company. It was also submitted by the assessee that such cash sales are duly recorded in the books of accounts of the company. To further substantiate such claim, the assessee furnished an affidavit. However, the A.O. was not convinced with the submissions of the assessee and treated the claim of the assessee as an afterthought contradicting his earlier stand. Ultimately, the A.O. added back the amount of Rs.3,50,000/- to the income of the assessee.

5. Though, the assessee contested the aforesaid addition before ld. first appellate authority, however, it was sustained.

6. We have considered rival submissions and perused the materials on record. The facts on record reveal that on 17.03.2021, in course of search operation conducted in the business premises of RD Telinet Pvt. Ltd., a courier carrying cash of Rs.3,50,000/- was intercepted, who stated that the cash amount represents sale consideration of mobile LCD and was required to be handed over to the assessee. When the statement of the courier was confronted to the assessee, he accepted that the cash amount of Rs.3,50,000/- represents the sale consideration of LCD Touch combos to M/s. Bombay Store located at a place in Karnataka. However, the statements read carefully do not demonstrate that the assessee at any point has stated that the products were sold by him in his individual capacity. Firstly, RD Telinet Pvt. Ltd. is in the business of purchase and sale of electronic goods. There is no material on record to demonstrate that the assessee also carries on the business of purchase and sale of such goods in his individual capacity. The A.O. himself has stated the source of income of the assessee to be from salary and other sources. Therefore, there is no material on record to suggest that the assessee was carrying on any business activity on his own in electronic goods. It is a further fact on record that the cash sales corresponding to the cash amount found of Rs.3,50,000/- have been entered in the books of accounts of RD Telinet Pvt. Ltd. Thus, such entry in the books of accounts coupled with the fact that no incriminating material was found from the residential premises of the assessee and the cash was found in the business premises of RD Telinet Pvt. Ltd. do establish assessee's claim that the cash amount of Rs.3,50,000/- represents sales made by RD Telinet Pvt. Ltd. Hence, cannot be treated as income of the assessee.

7. This fact finds further support from the affidavit filed by the assessee in course of the assessment proceeding disowning the cash amount. Thus, considering the overall facts and circumstances of the case, we hold that the addition made of Rs.3,50,000/- u/s. 69A of the Act is unsustainable. Accordingly, we direct the A.O. to delete the addition.

8. In the result, the appeal is allowed.

*Order pronounced in the open court on 22.01.2026*

Sd/-

Sd/-

(Jagadish)  
Accountant Member

(Saktijit Dey)  
Vice President

Mumbai; Dated : 22.01.2026

Roshani, Sr. PS

**Copy of the Order forwarded to :**

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

BY ORDER,

(Dy./Asstt. Registrar)  
ITAT, Mumbai