

आयकर अपीलीय अधिकरण, इंदौर न्यायपीठ, इंदौर  
**IN THE INCOME TAX APPELLATE TRIBUNAL,**  
**INDORE BENCH, INDORE**  
**BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER**  
**AND SHRI MANISH BORAD, ACCOUNTANT MEMBER**

**ITA No.593/Ind/2017**  
**Assessment Year: 2015-16**

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| Shri Dinkar Laxman<br>Mujumdar,<br>A-44, Aakriti Garden,<br>Nehru Nagar, Bhopal<br>(Appellant) | Vs. | DCIT (Central)-I,<br>Bhopal<br>(Respondent ) |
| PAN No.ABGPM7691G  |     |  |

|                       |                         |
|-----------------------|-------------------------|
| Revenue by            | Smt. Ashima Gupta, CIT  |
| Assessee by           | Shri S.S. Deshpande,C.A |
| Date of Hearing       | 16.10.2018              |
| Date of Pronouncement | 18.10.2018              |

**ORDER**

**PER MANISH BORAD, AM.**

This appeal of Assessee pertaining to A.Y. 2015-16 is directed against the order of Ld. Commissioner of Income Tax(Appeals)-3, Bhopal (in short 'CIT(A)'), dated 29.06.2017 which is arising out of the order u/s 143(3) of the Income Tax Act 1961(hereinafter called as the 'Act') framed on 30.09.2016 by DCIT (Central)-I, Bhopal.

2. The assessee has raised following grounds of appeal;

“That on the facts and in the circumstances of the case the Learned Commissioner of Income Tax (A) III was not justified in holding that the investment in silver jewellery amounting to Rs.75,278/- found during the course of search was out of unexplained sources”.

3. Perusal of the above ground shows that the sole grievance of the assessee is limited against the addition made by the Ld. Assessing Officer towards unaccounted investment made in the silver jewellery at Rs.75,278/- confirmed by the Ld.CIT(A) (In short Ld.A.O).

4. Briefly stated facts as culled out from the records are that the assessee is an individual. Search and seizure operations were carried out u/s 132(1) of the Income Tax Act on 12.08.2014. Assessment u/s 153A r.w.s. 143(3) of the Act were framed for the block of assessments from Assessment Year 2009-10 to 2015-16. Consolidated assessment order was framed on 30.09.2016. For Assessment Year 2015-16 only addition was made for Rs.7,51,535/- towards unexplained investment in jewellery which comprised of gold ornaments weighing 242 grams (net Weight)

valuing at Rs.6,76,257/- and silver articles/utensils weighing 1812 grams(net weight) valuing at Rs.75,278/-.

5. Aggrieved assessee preferred appeal before Ld.CIT(A) and partly succeeded as the Ld.CIT(A) following the instructions of Central Board of Direct Taxes (CBDT) bearing No.1916 dated 11.05.1994 allowed the claim of gold jewellery weighing 242 grams. However addition for Rs.75,278/- on unaccounted investment in silver articles was confirmed.

6. Now the aggrieved assessee is in appeal before the Tribunal.

7. The Ld. Counsel for the assessee reiterated the submission made before the lower authorities and requested for deleting the addition looking to the regular income of source of the assessee as well as his standard of living.

8. Per contra the Departmental Representative argued and supporting the orders of lower authorities.

9. We have heard rival contentions and perused the records placed before us. The only issue before us is that whether Ld.CIT(A) was justified in confirming the addition of Rs.75,278/- for the

alleged unaccounted investment in silver articles weighing 1812 grams.

10. We find that the Central Board of Direct Taxes issued instruction No.1916 dated 11.5.1994 which reads as follows;

*“Instruction No.1916 (F.No. 286/63/93-IT(INV.II)), dated 11.5.1994, issued by the Central Board of Direct Taxes (‘CBDT’) directs the income tax authorities, conducting a search, to not seize jewellery and ornaments found during the course of varying quantities specified in the instructions, depending upon the marital status and the gender of a person searched. The guidelines are issued to address the instances of seizure of jewellery of small quantity in the course of search operations u/s 132 that have been noticed by the CBDT. A common approach is suggested in situations where search parties come across items of jewellery for strict compliance by the authorities. The CBDT directed that in the case of a person not assessed to wealth-tax, gold jewellery and ornaments to the extent of 500 gms per married lady, 250 grms per unmarried lady and 100 gms per male member of the family, need not be seized”.*

11. In the instant case Ld.CIT(A) following the above referred CDT instructions allowed the claim of investment in gold jewellery weighing 242 gms but confirmed the addition for silver articles

weighing 1812 gms. The above referred instructions refers only to “jewellery and ornaments” and nowhere restrict it to gold jewellery. One cannot ignore the fact that in the Indian families there is a culture of giving silver ornaments and utensils on auspicious and marriage occasions. Restricting the limit of 500 gm/250 gm/100 gm only to the “gold jewellery ornaments” will not serve the true purpose of the CBDT instructions and it has to be applied hamnoninerly in the light of the Indian culture and traditions.

12. We therefore in the given facts and circumstances of the case are of the considered view that the impugned silver jewellery weighing 1812 gms valuing at Rs.75,278/-should not have been added to the income of the assessee and the benefit of the CBDT Circular No. 1916 dated 11.5.1994 should also be spread so as to cover the silver articles weighing 1812 gms. We therefore set aside the orders of both the lower authorities and delete the addition of Rs.75,278/- for the alleged unaccounted investment in silver articles and allow the grounds raised by the assessee.

13. In the result the appeal of the assessee stands allowed.

The order pronounced in the open Court on 18.10.2018.

Sd/-

Sd/-

**( KUL BHARAT )**  
**JUDICIAL MEMBER**

**(MANISH BORAD)**  
**ACCOUNTANT MEMBER**

दिनांक /Dated : 18 October, 2018  
/Dev

Copy to: The Appellant/Respondent/CIT concerned/CIT(A)  
concerned/ DR, ITAT, Indore/Guard file.

By order  
Asstt.Registrar,I.T.A.T., Indore