

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'F', NEW DELHI**

Before Sh. Amit Shukla, Judicial Member

Dr. B. R. R. Kumar, Accountant Member

(Through Video Conferencing)

ITA No. 4508/Del/2017 : Asstt. Year : 2014-15

DCIT, Central Circle-25, New Delhi	Vs	Jyoti Goel, E-270, Shastri Nagar, New Delhi
(APPELLANT)		(RESPONDENT)
PAN No. AIAPF0204E		

ITA No. 4482/Del/2017 : Asstt. Year : 2014-15

Jyoti Goel, E-270, Shastri Nagar, New Delhi	Vs	DCIT, Central Circle-25, New Delhi
(APPELLANT)		(RESPONDENT)
PAN No. AIAPF0204E		

Assessee by : Sh. Hiren Mehta, Adv.

Revenue by : Ms. Shivani Bansal, Sr. DR

Date of Hearing: 16.09.2021

Date of Pronouncement: 25.11.2021

ORDER

Per Dr. B. R. R. Kumar, Accountant Member:

The cross appeals have been filed by the Revenue and the assessee against the orders of the Id. CIT(A)-29, New Delhi dated 28.04.2017.

ITA No. 4508/Del/2017

2. A search & seizure action u/s 132 of the Income Tax Act, 1961 was carried out on 15.10.2013 on the assessee in

connection with the search conducted in the case of Shree Raj Mahal Jewellers Ltd. The assessee is the spouse of one of the Directors of the company Shri Praveen Gupta. The Assessment Order has been passed u/s 144 of the Act owing to non-compliance of the assessee to complete the assessment proceedings.

3. Aggrieved with the additions made, the assessee preferred appeal before the Id. CIT(A) who has deleted the additions except the addition of Rs.4.94 lacs on account of unexplained jewellery and hence the cross appeals.

Unexplained Jewellery:

4. During the search, jewellery worth of Rs.1,38,54,216/- has been found and the same has been added to the undisclosed income of the assessee by the AO. Before the revenue authorities, the assessee submitted that the entire jewellery was issued from the jewellery showroom from Shree Raj Mahal Jewellers Ltd. The assessee has produced approval slips containing description, weight and value of each item has been submitted and stated that these approval notes are system generated which can be cross verified from the seized data. It is also stated that certain items of jewellery has been received at the time of marriage and other occasions from friends and relatives. It was submitted that the jewellery was issued from the showroom on 15.10.2013. The item wise reconciliation of the jewellery as per the valuation report prepared at the time of search and the description appearing in the approval notes are matching. It was argued that since the approval notes are part of the seized records which have been duly signed by both the

parties, they cannot be dismissed as post thought. The Id. CIT(A) has gone through the reconciliation of each and every item found during the search with that of the valuation report, the challans and the approvals slips and came to a logical conclusion that the jewellery indeed belongs to Shree Raj Mahal Jewellers Ltd. Since, the pieces of jewellery has been duly reconciled and even the weight in different items are near to that of jewellery found during search as mentioned in the valuation report, therefore, the Id. CIT(A) held that there is no reason not to consider this jewellery as a part of jewellery received on approval from M/s Shri Raj Mahal Jewellers Pvt. Ltd. Hence, the addition made by the AO has been deleted except jewellery of value of Rs.4,88,951/-. Since, the rationale of the Id. CIT(A) is on sound logical parameters, we decline to interfere with the order of the Id. CIT(A).

ITA No. 4482/Del/2017 – The issue is corollary to the above issue.

5. The Id. CIT(A) deleted the value of the jewellery of Rs.1,38,54,216/- found at the premises of the assessee except for the jewellery of value of Rs.4,88,951/-. The assessee has appealed before us and argued that while the remaining jewelelry belongs to Shree Raj Mahal Jewellers Pvt. Ltd., the jewellery worth of Rs. 4,88,951/- is her own asset received at the time of marriage and as well as on other occasions. It was argued that keeping in view the social status of the assessee, it cannot be said that the assessee had no jewellery of her own. Relying on the CBDT Circular of 1916 pertaining to seizure and assessment of jewellery of 400 gms. in case of a female

member of the family, it was argued that the same should not be treated as undisclosed income. We have gone through the circular and the order of the Id. CIT(A). Having reconciled the jewellery received on approval basis, it is only logical to conclude that the married assessee could have jewellery worth of Rs.4,88,951/- which is quite less than the prescribed allowance. Hence, the appeal of the assessee on this ground is allowed.

Unexplained Investment:

6. The AO made addition of Rs.3,00,00,000/- on account of purchase of shares of M/s Ginni Gold Ltd. holding that the source of said investment remained unexplained. Before the Id. CIT(A), it was submitted that the assessee has not maintained its statement of affairs since the assessee was not liable to maintain the books of account as per the provisions of Income Tax Act. Therefore, the assessee has not furnished statement of affairs during the course of assessment proceedings however, before the AO, the assessee submitted the bank statement. Before the Id. CIT(A), the bank statement was submitted along with the sources. The investment has been made from the bank account of the assessee from Karnataka Bank and the amounts have been transferred in from M/s Riddhi Siddhi Gold. The Id. CIT(A) after considering the facts on record deleted the addition as the sources have been explained. Before us, no other evidences to be brought by the revenue to prove that the funds received by the assessee from M/s Riddhi Siddhi Gold is bogus or fictitious or routed or any accommodation entry. Hence, we decline to interfere with the order of the Id. CIT(A). Similarly,

we also confirm the action of the Id. CIT(A) in deleting the notional commission.

7. In the result, the appeal of the assessee is allowed and that of the revenue is dismissed.

Order Pronounced in the Open Court on 25/11/2021.

Sd/-

(Amit Shukla)
Judicial Member

Dated: 25/11/2021

Subodh Kumar, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

Sd/-

(Dr. B. R. R. Kumar)
Accountant Member

ASSISTANT REGISTRAR