

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "A" NEW DELHI

BEFORE SHRI G.S. PANNU, HON'BLE VICE PRESIDENT
AND
SHRI CHALLA NAGENDRA PRASAD, JUDICIAL MEMBER

आ.अ.सं./I.T.A Nos.1925/Del/2022

निर्धारणवर्ष/Assessment Year: 2019-20

Bawniet Kaur Punihani F-5, Radhey Mohan Drive, Mehrauli, New Delhi. PAN No. FEOPP8377E	<u>बनाम</u> Vs.	DCIT Central circle-19, New Delhi.
अपीलार्थी Appellant		प्रत्यर्थी/Respondent

आ.अ.सं./I.T.A Nos.1744/Del/2022

निर्धारणवर्ष/Assessment Year: 2019-20

Jaspreet Kaur Punihani S-138, Greater Kailash, New Delhi. PAN No. EGTPK8965H	<u>बनाम</u> Vs.	DCIT Central circle-19, New Delhi.
अपीलार्थी Appellant		प्रत्यर्थी/Respondent

आ.अ.सं./I.T.A Nos.1747/Del/2022

निर्धारणवर्ष/Assessment Year: 2019-20

Gurpreet Kaur Punihani F-5, Radhey Mohan Drive, Mehrauli, New Delhi. PAN No. AOLPP0154P	<u>बनाम</u> Vs.	DCIT Central circle-19, New Delhi.
अपीलार्थी Appellant		प्रत्यर्थी/Respondent

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आ.अ.सं./I.T.A Nos.1749/Del/2022

निर्धारणवर्ष/Assessment Year: 2019-20

Amarjeet Singh Punihani S-138, Greater Kailash-2 New Delhi. PAN No. AAIPP3208R	<u>बनाम</u> Vs.	DCIT Central circle-19, New Delhi.
अपीलार्थी Appellant		प्रत्यर्थी/Respondent

Assessee by	Shri R.S. Singhvi, Adv. Shri Satyajeet Goel, Adv.
Revenue by	Shri Zafarul Haque Tanweer, CIT-DR

सुनवाईकीतारीख/ Date of hearing:	21.11.2023
उद्घोषणाकीतारीख/ Pronouncement on	14.02.2024

आदेश /O R D E R

PER C.N. PRASAD, J.M.

All these appeals are filed by the Assessee against different orders of the Ld.CIT(Appeals) for the AY 2019-20 in partly upholding the addition made u/s 69A of the Act by the Assessing Officer (hereinafter referred in short as “AO”) in respect of unexplained jewellery found in the course of search. Grounds of appeal read as under: -

1. “(i) That on the facts and circumstances of the case, the Ld.CIT(A) was not justified in upholding the additions to the extent of Rs.1,31,30,074/- made u/s 69A on the alleged ground of unexplained jewellery in total disregard to facts and circumstances of the case.

(ii) That in absence of any adverse material or evidence in support of the allegation that jewellery so found was acquired or purchased in the year under reference, the invocation of provisions of section 69A and consequential addition without even considering the status of the family is highly arbitrary and misconceived.

(iii) That the Appellant being part of a joint family and total jewellery of the family found during the course of search being for common use and acquired from common pool of funds is fully supported from documentary evidences in the

form of bills/invoices/will and other corroborative and circumstantial evidences, the impugned addition u/s 69A is improper and unjustified.

(iv) That the source of jewellery found and seized during the search being fully explained and same being accumulated in considerable period of time on account of self-acquisition, gifts, ancestral jewellery and streedhan; there is no case of any unexplained jewellery in terms of section 69A of the Income Tax Act, 1961.

- 2. That in any case, the valuation of jewellery so found being highly excessive and irrational and appellant having objected to the same, the addition of Rs. 1,31,30,074/- is unreasonable and without any basis or justification.*
- 3. That on the facts and circumstances of the case, the addition u/s 69A and invocation of section 115BBE of the Income Tax Act, 1961 is illegal and not sustainable on facts and under the law.*
- 4. That on the facts and circumstances of the case, the Ld.CIT(A) has erred in upholding the validity of the order u/s 153A r.w.s. 143(3) even though the same was passed without proper approval u/s 153D of the Income Tax Act, 1961.”*

2. Briefly stated the facts are that the cases of the assesseees were covered under search action u/s 132 of the Act on 04.01.2019 on Punihani Group of cases. During the course of search at various places including residential premises and lockers, gold and diamond jewellery belonging to family members were found and seized. The AO while completing the assessment u/s 143(3)/153A of the Act has made the following additions in all these cases:

Name of Assessee	Addition of Jewellery made by the Assessing Officer		
	Gold (In grams)	Diamond (In carats)	Amount (In Rs.)
Gurpreet Kaur Punihani	4,157	672	1,63,10,439
Bawniet Kaur Punihani	1,626	390	1,51,10,074
Amarjeet Singh Punihani	2,566	359	1,75,15,175
Jaspreet Kaur Punihani	325	69	28,06,294
TOTAL	8,674	1,490	5,17,41,982

3. In the course of assessment proceedings, the AO required the assesseees to explain the source of the above jewellery found during search with the documentary evidences. The assesseees furnished replies stating that the gold jewellery either have been duly declared in the Wealth-tax returns or where such ornaments are within the prescribed limits of 100, 250, or 500 gms in case of male, female, married, unmarried tax payers respectively who have not filing any tax returns. The assessee contended that as per the CBDT Circular No.1916 dated 11.05.1994 and the Hon'ble Delhi High Court in the case of Ashok Chadha Vs. ITO it was contended that jewellery found to the extent of limits prescribed in the circular are presumed as explained and should either be seized or added in assessments. Assesseees also contended that jewellery to the extent of 9.371 kgs belongs to Smt. Jaswant Kaur which was part of her ancestral jewellery and was duly disclosed in her will dated 15.09.2017 which was registered with Sub Registrar, Hauz Khaz, New Delhi. It was also contended that Punihani family received gifts on various

auspicious occasions as can be verified from the facts that Smt. Bawniet Kaur received gifts in the form of jewellery on the occasion of her marriage from various members of her family. It was also submitted that in the course of search as a matter of fact that gift deed was found which evidenced that 1 kg of gold jewellery was received from her brother Shri Guneet Singh on the occasion of her marriage. It was also contended that Smt. Gurpreet Kaur has been married for about 32 years Smt. Avniet Kaur has been married for about 28 years and Smt. Jaspreet Kaur has been married for about 25 years and have accumulated jewellery over their married life. Therefore, it was contended that jewellery accumulated by a lady over her married life even if in excess of limits prescribed under Instruction No.1916 cannot be added as undisclosed investment for which the assesseees have relied on the decision of the Hon'ble Delhi High Court in the case of Ashok Chadha Vs. ITO 20 taxmann.com 387 and Sushila Devi Vs. CIT (WP No.7620/2011). Not convinced with the submissions of the assessee the AO made additions u/s 69 of the Act as referred to in the table above.

4. The assesseees preferred appeal before the Ld.CIT(A) and the Ld.CIT(A) partly deleted the addition made by the AO as under:

Chart showing Addition of Jewellery made by AO and upheld by CIT(A) Annexure 1

Name of Assessee	Jewellery found during Search - As per Panchnama		Addition by AO		Addition upheld by CIT(A)	
	Gold (in grams)	Diamond (In Carats)	Gold (in grams)	Diamond (in Carats)	Gold (in grams)	Diamond (in Carats)
Tarlok Singh Punihani	1,281	18	-	-	-	-
Gurpreet Kaur Punihani	6,400	771	4,157	672	3,457	104
Bawniet Kaur Punihani	2,626	390	1,626	390	1,026	390
Narinder Singh Punihani	193	22	-	-	-	-
Amarjeet Singh Punihani	3,347	383	2,566	359	1,792	359
Jaspreet kaur Punihani	1,106	93	325	69	-	69
TOTAL	14,952	1,676	8,674	1,490	6,275	922

5. Ld. Counsel for the assessees submitted that the contentions regarding the jewellery belonging to joint family consisting of families of three brothers were rejected by the Ld.CIT(A). The Ld. Counsel for the assessee also submitted that Ld.CIT(Appeals) failed to appreciate and consider the joint family jewellery purchase bills submitted by the assessees. It was also submitted that Ld.CIT(A) has allowed only partial benefit of CBDT Circular No.1916 dated 19.04.1994 in respect of immediate family members only. Therefore, the Ld. Counsel submitted that the only issue involved in this appeal is regarding the addition u/s 69 of the Act made by the Assessing Officer on the alleged ground of unexplained jewellery found during the course of search proceedings without considering

the explanation and documentary evidences furnished during the course of assessment proceedings.

6. The Ld. Counsel submitted that the Assesseees are living in a close-knit joint family consisting of around 15 members at Farm House No. F-5, Radhey Mohan Drive, Gadaipur, Mehrauli, New Delhi and having joint business. The Joint family consists of three brothers and their respective families and the jewellery is for common use of family members and kept in the lockers in the name of some of the family members. The family tree of the members is enclosed at page 24 of the paper book. Ld. Counsel submits that at this juncture, it is important to highlight the financial status and background of the Punihani Family in order to appreciate the facts of the case. The Punihani family is a highly reputed business family enjoys a special status in the society. The family members are declaring decent income in the ITR and the income chart of the family is extracted at page 13 to 15 of the CIT(A) order. It is submitted that it is trite law that the reasonableness of the jewellery and valuable things found in the search is to be seen keeping in mind the financial position and social status of the family.

7. Ld. Counsel submits that the search party during the course of search conducted at various premises along with bank lockers found aggregate jewellery weighing 15,607.32 grams of gold and 1690.82 carats of diamonds. As per the panchnama, the jewellery so found is identified amongst the family members as under. The copies of valuation reports prepared at the time of search are enclosed at page 28 - 47 of the paper book:

Name of Assessee	Gold	Diamond
	(Net value in grams)	(Net value in Carats)
Shri. Tarlok Singh	1,280.86	17.86
Smt. Gurpreet Kaur	6,399.68	770.55
Smt. Bawniet Kaur	2,625.78	389.80
Shri Narinder Singh	193.00	22.00
Shri Amarjeet Singh	3,346.55	382.71
Smt. Jaspreet Kaur	1,105.65	92.90
TOTAL	14,952.00	1,676.00

It is submitted that the aggregate jewellery as found and seized from common premises is shared by the joint family and as such there is intermixing of the jewellery found from the possession of individual persons. Further, due to strong cohesiveness and habit of sharing amongst the family members, it is difficult to identify the jewellery items in hands of individual persons and as such it would be appropriate and rational to consider the aggregate jewellery together in the hands of all the family members for the purpose of examining the explained jewellery. It is submitted that this position is further corroborated from the fact that in some cases, there was

excess jewellery and in some cases there was shortfall but total jewellery of the family is fully supported and verifiable.

8. Thus, it is submitted that there is complete verification & reconciliation of jewellery considering the family as one unit and the reconciliation of jewellery is as under:

S.No.	Particulars	Net Gold (in grams)	Diamond (in Carats)
i.	Bills of jewellery purchased by the family members	9,522	1,864
ii.	Entitlement as per CBDT Instruction No.1916	3,600	-
iii.	Gift received by Bawniet Kaur from her brother [Fat accepted by the AO and CIT(A)] [Refer Assessment Order of Bawniet kaur - Page 22]	1,000	-
	Total explained Jewellery held by the family members	14,122	1,864

It is submitted that the assesseees have duly filed supporting documents in respect of purchase of jewellery and the list of these documents are as under:

- The copies of jewellery bills are enclosed at page 48 - 89 of the paper book.
- The copies of bank statement reflecting the payments made in respect of jewellery are enclosed at page 90 - 110 of the paper book.

Ld. Counsel with regard to serial no. ii, it is submitted that the **CBDT Instruction No.1916 dated 11th May 1994** provides an exemption from seizure of gold jewellery and ornaments to the

extent of 500 gms per married lady, 250 gms per unmarried lady and 100 gms per male member of the family. The CIT(A) in total disregard to the instructions issued by the CBDT has failed to provide the benefit of this circular in respect of all the family members. The chart showing the minimum entitlement of each of the family members is enclosed at page 27 of the paper book. The Assessing Officer and CIT(A) has duly accepted the fact of the gift of jewellery of 1000 grams received by the appellant from her brother on the occasion of her marriage. The factual position to this effect is also substantiated from the Gift Deed which was found and seized during the course of search and was marked at page 88 of Annexure 4 by team AP-4 of the search party.

9. The table showing jewellery found and that explained by the Appellant is as under:

Particulars	Net Gold (in grams)	Diamond (in Carats)
Total jewellery found during search [As per Pachnama]	14,952	1,676
Less: Jewellery explained by the Appellant	14,122	1,864
Balance short/excess jewellery	830	-188
Rates applied by the Department Valuer	@Rs.3300 per gram	@Rs.25,000 per carat
Value of Short/Excess Jewellery	27,39,000	-47,00,000

From the above details, it is self-evident that there is no case of any excess jewellery and the entire jewellery is duly supported from

meritorious explanation. It may be appreciated that as against aggregate jewellery of 14,952 grams of gold and 1,676 carats of diamonds found during the search, the appellant has explained the existence of jewellery weighing 14,122 grams of gold and 1,864 Ct. of diamonds. In fact, part of diamond jewellery was converted to gold jewellery. This position is supported from the fact that value of excess gold of Rs.27,39,000/- [830 grams * Rs.3,300 per gram] as found is corroborated from the value of excess diamonds of Rs.47,00,000/- available [188 carats * Rs.25,000 per carat]. Thus, on netting of the short gold jewellery and excess diamonds, it is clear that the jewellery found is fully covered by the purchase bills submitted by the Appellant.

10. The Ld. Counsel for the assessee further submits that Punihani family is a wealthy and a highly reputed family having prominent status in the society. The Ld. Counsel submits that as a matter of fact the aggregate returned income of last 9 years of all the family members along with the income of the partnership firm M/s Punihani Industrial comes to aggregate amount of Rs.75,79,90,405/-. Therefore, the Ld. Counsel submits that keeping in view the sound financial status and capacity of the family the purchase of jewellery to the extent of 9,522 gms of gold and diamonds weighing 1,864

carats cannot be disbelieved and as such the allegation of the AO that the jewellery found during the course of search being unexplained is not justified even though the said gold jewellery and diamonds were duly supported from the purchase bills which are all made from disclosed sources.

11. In light of the above submission, Ld. Counsel submitted that despite of having explained the justification of entire jewellery found as result of search, the lower authorities have considered the issue in an arbitrary and distorted manner. The AO and CIT(A) have not stated the basis for disregarding the purchase bills and non-granting of benefit of limit as per CBDT instruction. Therefore, the Ld. Counsel submits that in the light of the above facts, the jewellery found during the course of search is fully explained and verifiable from the documents placed on record.

12. Further, the Ld. Counsel for the assessee placed reliance on the following decisions for the proposition that the gold jewellery has to be considered family as a whole.

- a) Nirmal Kumar Minda Vs. ACIT [ITA No.1151/DEL/2020] [Dt. 03/05/2023]
- b) Smt. Bommana Swarna Rekha Vs. ACIT][2005] 94 TTJ 885 (Visakhapatnam)
- c) Amith Kumar Bethala Vs. DCIT (ITAT Bangalore) (ITA No.2026/Bang/18) (28/01/2021)

d) G.C. Bafna Vs. DCIT [2004] 90 ITD 115 (Pune) (TM).

13. On the other hand, the Ld. DR strongly supported the orders of the authorities below.

14. Heard rival submissions, perused the orders of the authorities below and the evidences furnished before us.

15. The main plank of arguments of the Ld. Counsel is that all the family members of the Punihani are joint family members and, therefore, should be considered as one single unit. On perusal of the statements recorded from the family members of the assesseees during search the family members have deposed that the jewellery found were either belonging to them or to their family members/relatives. This shows that all the family members comprising of 14 persons are from joint family staying together. We further observed that sister-in-law of Smt. Gurpreet Kaur who is an NRI occasionally coming to India also stays with them and her jewellery was also found in the lockers of the family members of the assesseees. In the circumstances, the contentions of the assessee that the entire family of 14 persons should be considered as one single unit has got lot of force and deserves to be accepted. This view of ours is further fortified by the Third Member decision of the

Pune Bench in the case of GC Bafna Vs. DCIT (19 ITD 115), wherein it has been held as under:

*“32. We have considered the rival submissions and perused the facts on record. We find that vide letter dated 26th September, 1997, the assessee had brought to the notice of the Ld. CIT that the lady members of Bafna family had declared jewellery in their Wealth-tax returns filed for the AY 1982-83. This fact was not before the Assessing Officer. It was also pointed out that jewellery was purchased in subsequent period from disclosed sources of funds. There was an addition of jewellery also on account of lady members when they got married in the family. The submissions made before us now by the Ld. Counsel with facts and figures were not before the Assessing Officer and accordingly, we restore this issue to the file of the Assessing Officer to re-adjudicate upon the same after giving an opportunity of being heard to the assessee. Same is the position with silver. **The issue of gold jewellery and silver has to be considered in the context of different members of the family as a whole** and accordingly we restore both the issues to the file of the Assessing Officer with direction that he should go through the details furnished before us in the paper book and referred to supra and re-adjudicate upon the issue after giving an opportunity of being heard to the assessee.”*

16. In the light of the above observations, let us examine whether the entire jewellery stands explained by the assessee or not. The assessee explained the jewellery found in the following manner:

S.No.	Particulars	Net Gold (in grams)	Diamond (in Carats)
i.	Bills of jewellery purchased by the family members	9,522	1,864
ii.	Entitlement as per CBDT Instruction No.1916	3,600	-
iii.	Gift received by Bawniet Kaur from her brother [Fat accepted by the AO and CIT(A)]	1,000	-

	[Refer Assessment Order of Bawniet kaur - Page 22]		
	Total explained Jewellery held by the family members	14,122	1,864

17. We find that assessee has filed Annexure 4 & 5 containing purchase bills date wise, assessee wise, quantity wise and mode of payments thereon which are reproduced hereunder:

Details of Jewellery Bills along with payment details: -

Details of Bills of Jewellery paid through Bank:

S No	Invoice No.	Date	Party	Assessee	Net Gold [in grams]	Diamond [in carats]	Amount (Rs.)	Remarks
1	4	01.04.2004	Khanna Jewellers Bill at Pg 91	Smt. Gurpreet Kaur	149	35	11,00,000	Bank Statement at page 93
2	86	05.05.2016	Chawla Jewellers Bill at Pg 94	Sh. Narinder Singh	554	104	38,00,000	Bank Statement at page 96
3	85	05.05.2016	Chawla Jewellers Bill at Pg 97	Sh. Narinder Singh	695	117	35,00,000	Bank Statement at page 98 - 102
4	6827	18.03.2015	Khanna Jewellers Bill at Pg 103	Sh. Tariok Singh	704	209	44,44,000	Bank Statement at page 104 - 106
5	1267	25.11.2015	Chawla Jewellers Bill at Pg 107	Sh. Tariok Singh	1,490	351	50,52,000	Bank Statement at page 108
6	1335	25.11.2016	Chawla Jewellers Bill at Pg 109	Sh. Tariok Singh	237		8,19,500	Bank Statement at page 110
7	2468	12.01.2016	Khanna Jewellers [Wrongly mentioned as Chawla Jewellers at page 48 of the paper book] Bill at Pg 57	Sh. Narinder Singh	230	74	20,00,000	Bank Statement at page 96
8	20	12-03-2012	Motiwala Jewellers Bill at Pg 53	Sh. Amarjeet Singh	172.10	-	5,00,011	Cheque No, mentioned on Bill at page 53
9	32	11-03-2013	Motiwala Jewellers Bill at Pg 54	Sh. Amarjeet Singh	334.40	-	10,00,011	Cheque No, mentioned on Bill at page 54
10	2	12-07-2011	Motiwala Jewellers Bill at Pg 66	Sh. Tariok Singh	100.46	-	2,27,257	Cheque No, mentioned on Bill at page 66
11	6881	24-01-1998	Khanna Jewellers Bill at Pg 73	Smt. Gurpreet Kaur	324.50	320.53	1,24,000	Cheque No, mentioned on Bill at page 73
12	604	27-11-2004	Chawla Jewellers Bill at Pg 81	Smt. Gurpreet Kaur	105.00	26.45	2,50,000	Cheque No, mentioned on Bill at page 81
Total [A]					5,095	1,236	2,28,16,779	

Details of Cash Bills of Jewellery : 'B'								
S No	Invoice No.	Date	Party	Assessee	Net Gold [in grams]	Diamond [in carats]	Amount (Rs.)	Remarks
1	272	23-03-2003	M Raj Sons Jewellers	Sh. Amarjeet Singh Pg-49	81	-	50,188	Cash payments
3	43	14-03-2011	Motiwala Jewellers	Sh. Amarjeet Singh Pg-51	153	41	7,00,656	Cash payments
4	44	23-03-2011	Motiwala Jewellers	Sh. Amarjeet Singh Pg-52	333	-	6,92,338	Cash payments
5	1	04-04-2014	Motiwala Jewellers	Sh. Amarjeet Singh Pg-55	160	-	6,41,188	Cash payments
6	952	17-10-2017	Chawla Jewellers	Smt. Jaspreet Kaur Pg-56	60	-	1,97,760	Cash payments
7	1750	10-03-2017	Chawla Jewellers	Sh. Narinder Singh Pg-60	87	14	5,00,000	Cash payments
8	1158	20-11-2017	Chawla Jewellers	Sh. Narinder Singh Pg-61	59	-	1,87,300	Cash payments
9	107	28-04-2005	Chawla Jewellers	Smt. Avnit Kaur Pg-62	341	44	3,28,250	Cash payments
10	1060	23-10-2017	Chawla Jewellers	Smt. Avnit Kaur Pg-63	56	-	1,91,700	Cash payments
11	891	07-10-2017	Chawla Jewellers	Sh. Jaskaran Singh Pg-64	57	-	1,96,730	Cash payments
12	135	10-03-2000	Motiwala Jewellers	Sh. Tarlok Singh Pg-65	48	-	2,61,886	Cash payments
13	1	04-04-2014	Motiwala Jewellers	Sh. Tarlok Singh Pg-67	161	26	6,41,185	Cash payments
14	1357	14-12-2016	Chawla Jewellers	Sh. Tarlok Singh Pg-71	745	176	25,25,000	Cash payments
15	954	17-10-2017	Chawla Jewellers	Sh. Tarlok Singh Pg-72	61	-	1,99,356	Cash payments
16	1406	28-01-1998	Hazoorilal Jewellers	Smt. Gurpreet Kaur Pg-74	257	-	1,10,000	Cash payments
17	603	17-11-2001	Chawla Jewellers	Smt. Gurpreet Kaur Pg-75	311	86	4,36,724	Cash payments
18	850	31-01-2002	Chawla Jewellers	Smt. Gurpreet Kaur Pg-76	181	45	2,15,640	Cash payments
19	995	19-03-2002	Chawla Jewellers	Smt. Gurpreet Kaur Pg-77	261	38	2,60,000	Cash payments
20	185	13-06-2002	Chawla Jewellers	Smt. Gurpreet Kaur Pg-78	70	19	2,32,300	Cash payments
21	984	10-01-2003	Chawla Jewellers	Smt. Gurpreet Kaur Pg-79	170	46	3,03,000	Cash payments
22	10050	05-01-2004	Hazoorilal Jewellers	Smt. Gurpreet Kaur Pg-80	140	9	1,20,000	Cash payments
23	1447	30-03-2005	Chawla Jewellers	Smt. Gurpreet Kaur Pg-82	194	54	5,00,157	Cash payments
24	30	21-03-2014	Motiwala Jewellers	Smt. Gurpreet Kaur Pg-83	184	26	9,93,411	Cash payments
25	1087	28-10-2017	Chawla Jewellers	Smt. Gurpreet Kaur Pg-85	57	-	1,94,156	Cash payments
26	1198	02-12-2017	Chawla Jewellers	Smt. Gurpreet Kaur Pg-86	58	-	1,98,790	Cash payments
27	716	02-09-2017	Chawla Jewellers	Sh. Kawal Nain Singh Pg-87	13	-	46,350	Cash payments
28	895	08-10-2017	Chawla Jewellers	Sh. Kawal Nain Singh Pg-88	55	-	1,88,490	Cash payments
29	896	08-10-2017	Chawla Jewellers	Sh. Taranjeet Singh Pg-89	56	-	1,93,640	Cash payments
Total [B]					4,427	628	1,13,47,185	

18. As could be observed from the above Annexures the assessee was able to explain the jewellery to the extent of 9,522 gms by way of purchase bills and mode of payments thereon. It is not the case

of the Revenue that assessee has made payments in cash for purchase of jewellery out of undisclosed sources of income. Further assessee's explanation that they have converted diamonds partly to gold jewellery is a plausible explanation which cannot be brushed aside as it is the usual custom and practice of the household ladies to do so.

19. Considering the overall family status and community of the assessee's holding of jewellery of 9,522 gms which is also supported by purchase bills stands clearly explained. As could be seen from the above table there is excess diamonds to the extent of 188 carats (valued at Rs.-47,00,000/-) and there is a deficit in gold jewellery to the extent of 830 gms (valued at Rs.27,39,000/-) and this could be for the reason that the assessee converted diamonds partly to jewellery which is a plausible explanation. If this explanation is accepted and set off the excess diamond against deficit in gold is considered, there is no addition that would be warranted u/s 69A of the Act. In view of what is discussed above, we allow ground no.1 of grounds of appeal of the assessee. As we have allowed ground no.1 of grounds of appeal of the assessee, the adjudication of other grounds become academic in nature. Other contentions in the grounds raised other than ground no.1 are left open.

20. In the result, appeals of the assesseees are allowed.

Order pronounced in the open court on 14/02/2024

**Sd/-
(G.S. PANNU)
VICE PRESIDENT**

**Sd/-
(C.N. PRASAD)
JUDICIAL MEMBER**

Dated: 14/02/2024

**Kavita Arora, Sr. P.S.*

Copy of order sent to- Assessee/AO/Pr. CIT/ CIT (A)/ ITAT
(DR)/Guard file of ITAT.

By order

Assistant Registrar, ITAT: Delhi Benches-Delhi