

**IN THE INCOME TAX APPELLATE TRIBUNAL  
MUMBAI BENCH "SMC" MUMBAI**

**BEFORE SHRI BR BASKARAN (ACCOUNTANT MEMBER) AND  
SHRI RAJ KUMAR CHAUHAN (JUDICIAL MEMBER)**

**ITA No. 4753/MUM/2023  
Assessment Year: 2012-13**

Veenadevi Ajaypat Singhanian,  
New Hind House, 3 N M Marg,  
Mumbai-400 001.

DCIT-CC-44,  
Aayakar Bhavan,  
Mumbai.

**Vs.**

**PAN NO. AANPS 7809 Q**  
**Appellant**

**Respondent**

**ITA No. 4752/MUM/2023  
Assessment Year: 2012-13**

Ujjwala Akshaypat Singhanian,  
New Hind House, 3 NM Marg,  
Mumbai-400 001.

DCIT-CC-44,  
Aayakar Bhavan,  
Mumbai.

**Vs.**

**PAN NO. AAPPS 3867 G**  
**Appellant**

**Respondent**

Assessee by : Mr. Pratik Jain  
Revenue by : Mr. Umesh Sinha, Sr. DR

Date of Hearing : 14/11/2024  
Date of pronouncement : 26/11/2024

**ORDER**

**PER BR BASKARAN, AM**

Both the appeals filed by the respective assesseees are directed against the orders passed by Ld CIT(A)-50, Mumbai in their respective hands and both the appeals relate to Assessment year 2012-13. Both the appeals were



heard together and are being disposed of by this common order, for the sake of convenience.

2. Both the assesseees belong to Singhania family. They were subjected to search action u/s 132 of the Act on 03-11-2011.

3. We shall first take up the appeal filed by Smt Ujjwala Singhania, wherein the addition of Rs.2,96,044/- relating to unexplained jewellery and the addition of Rs.13,00,000/- relating to unexplained cash are being disputed.

4. The first issue relates to the addition of Rs.2,96,044/- relating unexplained diamond jewellery. During the course of search, jewellery valued at Rs.1,10,93,965/- was found from the locker. When asked to reconcile the same, according to the AO, the assessee could not reconcile gold ornaments to the tune of Rs.4,92,456/- and diamond ornaments to the tune of Rs.2,96,044/-. Before the AO, the assessee agreed to offer the same as her income. Accordingly, the AO made addition of Rs.7,88,500/-. The Ld CIT(A) confirmed the addition, since the assessee had agreed to offer it as her income. The assessee is aggrieved by the decision of Ld CIT(A).

4.1 The Ld A.R submitted that the unreconciled amount of gold jewellery and diamond jewellery was Rs.4,92,456/- and Rs.60,100/- respectively, both aggregating to Rs.5,52,556/-. However, the AO has taken the value of unreconciled diamond jewellery at Rs.2,96,044/- instead of Rs.60,100/-. In support of his submission, the ld A.R invited our attention to page no.11 of the paper book, which contained the workings relating to unreconciled jewellery. Accordingly, the ld A.R submitted that the addition made by the AO should be restricted to Rs.5,52,556/-.

4.2 We heard Ld D.R on this issue and perused the record. As per the document placed at page no.11 of the paper book, the unreconciled jewellery was Rs.5,52,556/- only and not Rs.7,88,500/-, as observed by the AO. Hence, it is not discernible as to how the AO had adopted the value of



diamond jewellery at Rs.2,96,044/- instead of Rs.60,100/-. Accordingly, we are of the view that this fact needs verification at the end of the AO. There should not be any dispute that the addition should be restricted to the amount of unreconciled difference only. According to the assessee, unreconciled amount was Rs.5,52,556/- only, for which the assessee has placed her reliance on the statement submitted before the AO. Accordingly, we set aside the order passed by Ld CIT(A) on this issue and restore the same to the file of the AO with the direction to examine the claim of the assessee and if he finds that the unreconciled value of jewellery was only Rs.5,52,556/-, then restrict the addition to that amount only. If not so, then the AO may confront the materials with the assessee and after hearing her, he may take appropriate decision in accordance with law.

5. The next issue relates to the unexplained cash of Rs.13.00 lakhs found in the locker of the assessee. The AO assessed the above said amount as income of the assessee, since the assessee did not offer any explanation. The Ld CIT(A) confirmed the addition.

5.1 Before Ld CIT(A), the assessee explained the sources of the above said amount. She submitted that she and her mother in law had sold silver articles during the year under consideration for a value of Rs.7,49,801/- and Rs.8,82,145/- respectively. She submitted that the sources of Rs.13.00 lakhs consisted of following items:-

|  |   |           |
|--|---|-----------|
| Sale of silver articles belonging to the assessee                                  | - | 7,49,811  |
| Sale of silver articles in the nature of personal Effects (not taxable)            | - | 1,50,189  |
| Cash received from Smt Veenadevi Singhania out of Sale proceeds of silver articles | - | 4,00,000  |
|  |   | -----     |
|  |   | 13,00,000 |
|  |   | =====     |

The ld CIT(A) did not accept the same, as the sale of silver articles is not supported by any evidence. The assessee is aggrieved.



5.2 We heard the parties on this issue and perused the record. We notice that the claim of sale of silver articles is not supported by any evidence. The assessee belongs to a reputed industrial group, but it is also not clear as to how the assessee did not maintain books of accounts, even though she is having income various sources. Hence, it is not clear as to whether the assessee was maintaining books of accounts or not. Be that as it may, we notice that the assessee has claimed that the silver articles have been sold during the year under consideration prior to the date of search and the same was available with her when the search took place. We notice that the entire sale consideration has been offered to tax as Long term capital gains declaring the cost as NIL. The AO has also accepted the return of income so filed by the assessee and also taxed the long term capital gain. Having accepted the return of income, we are of the view that the AO should not have rejected the claim of availability of cash of Rs.7,49,811/- on sale of silver articles. Accordingly, we are of the view that the above said amount should be considered as available with the assessee and credit for the same should be given against the addition of Rs.13,00,000/-.

5.3 With regard to the claim of sale of silver articles in the form of personal effects, the claim of the assessee is liable to be rejected as the same is not supported by any evidence and further, it has also not been offered to tax. Accordingly, the claim of availability of cash of Rs.1,50,189/- is rejected.

5.4 With regard to the claim that the cash of Rs.4,00,000/- belong to Smt Veena Singhania, we notice that the assessee has not furnished any evidence by way of confirmation letter obtained from Smt Veenadevi Singhania. Accordingly, we restore this issue to the file of AO for examining this claim of the assessee.



6. We shall now take up the appeal filed by Smt Veenadevi Singhania. The only issue urged in this appeal is related to the cash balance of Rs.4,70,050/- found with her during the course of search.

6.1 We noticed earlier that the assessee had claimed to have sold silver articles for a sum of Rs.8,82,145/- prior to search operations and the same constituted source of the cash found during the course of search. We notice that the assessee has not filed any paper book containing the copies of return of income. As noticed in the case of Smt Ujjwala Singhania, if the AO had assessed the long term capital gain declared by the assessee on sale of silver articles, then the availability of cash balance on sale of silver articles stands proved. In that case, the impugned addition is liable to be deleted. However, since this aspect requires verification, we restore this issue to the file of the AO for examining it in the light of discussions made supra and if it is found that the long term capital arising on sale of silver articles has been assessed by the AO, then he is directed to delete the addition of Rs.4,70,050/-.

7. In the result, the appeal filed by Smt Ujjwala Singhania is treated as partly allowed and the appeal filed by Smt Veenadevi Singhania is treated as allowed.

**Order pronounced in the open Court on 26/11/2024.**

**Sd/-  
(RAJ KUMAR CHAUHAN)  
JUDICIAL MEMBER**

**Sd/-  
(BR BASKARAN)  
ACCOUNTANT MEMBER**

Mumbai;  
Dated: 26/11/2024  
Rahul Sharma, Sr. P.S.



**Copy of the Order forwarded to :**

1. The Appellant
2. The Respondent.
3. CIT
4. DR, ITAT, Mumbai
5. Guard file.

//True Copy//

BY ORDER,  
(Assistant Registrar)  
**ITAT, Mumbai**