

आयकर अपीलिय अधिकरण 'सी' न्यायपीठ, चेन्नई
**IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH: CHENNAI**

श्री मनु कुमार गिरि, न्यायिक सदस्य एवं
श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष

**BEFORE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER AND
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.40/Chny/2025
निर्धारण वर्ष/Assessment Year: 2018-19

Smt. N. Sumathi Kumar, HUF, 56, High Road, Chengalpattu, Kancheepuram-603 002.	v.	The DCIT, Central Circle-3(3), Chennai.
[PAN: AAAHN 0177 P]		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)
आयकर अपील सं./ITA No.330/Chny/2025 निर्धारण वर्ष/Assessment Year: 2018-19		
The DCIT, Central Circle-3(3), Chennai.	v.	N. Sumathi Kumar, HUF, 56, High Road, Chengalpattu, Kancheepuram-603 002.
		[PAN: AAAHN 0177 P]
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)
Assessee by	:	None
Department by	:	Ms. Anitha, Addl. CIT
सुनवाईकीतारीख/Date of Hearing	:	18.06.2025
घोषणाकीतारीख /Date of Pronouncement	:	18.07.2025

आदेश / ORDER

PER MANU KUMAR GIRI, JM:

These are cross-appeals preferred by the assessee as well as the Revenue against the order of the Ld. Commissioner of Income Tax (Appeals), (hereinafter in short 'the Ld.CIT(A)'), Chennai-20, dated 13.11.2024 for the Assessment Year (In short 'AY') 2018-19.



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2. Grounds of appeal raised by the assessee in ITA No.40/Chny/2025

is as under:

1. The Appellant is doing Jewellery business and has filed return of income voluntarily before receipt of any notice within the due date, admitting a total Income of Rs.4,03,82,730/- for the Assessment Year 2018-19. The appellant is assessed by the Deputy Commissioner of Income Tax Central Circle 3(3) Chennai.

2. The Deputy Commissioner of Income tax, Central Circle -3(3), Chennai, has selected the Assessment for AY 2018-19 for Scrutiny since there was a Survey u/s 133A of the Income Tax Act on 31/01/2018. The Assessing Officer has passed Assessment Order u/s 143(3) of the Income Tax Act.

3. The Appellant had preferred Appeal before the Commissioner of Income Tax (Appeals) against the order passed by the Deputy Commissioner of Income Tax Central Circle 3(3), Chennai. The Commissioner of Income tax (Appeals) has not considered the various grounds raised against which the addition was made by the Assessing Officer. Hence the present appeal has been filed for cancellation of the addition made by the DCIT and to reduce the additional demand raised by the DCIT accordingly.

The Appellant as soon as he received the Notice u/s 143(3) from the Assessing Officer on 17.06.2021, immediately responded and filed objections as under:

i) The amount of additional income offered Rs.3,33,59,760/- being value of gold and silver jewellery investments earned from business during the current financial year ending 31.03.2018 i.e. from the regular jewellery business and that the entire amount has been earned during the current financial year.

ii) During the post-survey proceedings, the Appellant had submitted letters dated 10.05.2018 and 23.05.2018, wherein the Appellant has claimed that out of the excess stock of 19,196.262 grams of gold jewellery found at the business premises of the Appellant, a total of 7,806.05 grams pertains to old gold purchases and that the entire purchases of Old Gold have been made from regular customers who are purchasing new jewellery from Appellant's shop and at times they are selling unused old items or out of fashion old ornaments.

With reference to purchase of Old gold from Customers through cash purchase and exchange of Gold Jewellery, all weighing valued at less than Rs.10,000/- per item which is fully reflected in the tally accounts which was very much available on the date of Survey itself. While



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answering Q.20 the Appellant has made it clear that purchase from dealer for new gold jewellery was made by him only through RTGS or Cheque, however the Appellant makes cash purchase of old Gold below Rs.10000/- from customers only.

Since on the day of survey the Appellant has not been given access to his account books as the accounts are maintained in tally, and the Appellant's accountant was also not there, the appellant could not reconcile the stock but the investigating authorities on the date of survey have taken the incomplete details available in tally and prepared account statements as on the date of survey. While preparing the account statements, Old Gold to the extent of 7806.05 Gms recorded in the separate stock register which contains cash purchase of Old Jewellery for the value of below Rs.10,000/- only, was not taken into accounts while preparing the profit and loss account and Balance sheet.

The appellant with the help of his accountant, has sincerely calculated the difference in stock position earned and invested from regular business activity during FY 2017-18.

Calculation of Weight of Gold ornaments found at the time of Survey:		
Gold Jewellery as per Physical Inventory taken	-	47,162.12
Less: New Gold Jewellery as per Stock Summary	27,965.85	-
Less: Old Gold purchases Stock as per Stock Summary	7,806.05	35,771.90
Reflected in the regular cash book and ledger As on 31.01.2018	-	-
Difference reflects Investment in Stock made out of Business profit		11,390.22

The assessing Officer has made additions without giving any physical hearing and without verifying the account books, records, audited accounts, various details including ledger books, bank accounts, stock books, GST records and various other relevant records has passed a tailor-made order based on his own show cause notice without going through the facts and response submitted by the appellant on 17.06.2021.

The AO has erred in passing the Assessment Order on the following grounds:

i. The addition of Rs.2,75,97,598/- (6,09,57,358 less 3,33,59,760) pertaining to value of gold jewellery business stock earned from business during the current financial year ending 31.03.2018 i.e from the regular jewellery business.

Since, the jewellery admitted forming part of business income being the stock of goods, acquired from the income from sale of goods



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pertaining to current year, from 01.04.2017 till 31.01.2018, the entire stock of goods was offered for assessment for calculation of GST in the Gst return filed for the month of February and March 2018. In the GST return submitted for the month of February / March 2018, the entire value of additional stock acquired from the current year business profit aggregating to Rs.3,33,59,760/- was already taken in purchases under inward supplies of goods taxed under reverse charge mechanism. The entire GST has been paid for this business goods within the due date for the period pertaining to February / March 2018.

ii. With reference to the deduction claimed regarding purchase of old gold for cash purchase for below Rs.10,000/- weighing 7806 gms from customer, valuing purchase value of Rs.1,79,22,579/-, the Appellant has already furnished individual details of purchase of old gold from customer account separately. The entire purchase of Old Gold has been made from regular customers who are purchasing new jewellery regularly and at times they are selling unused old items or out of fashion old ornaments to us. In order to serve better to the customer, The Appellant has to purchase old gold ornaments from the customers. The entire old gold purchase has been fully reflected in the tally and books of accounts maintained by us. Since on the date of survey the accounting staff was absent and since the Appellant is not well versed in computer he was unable to explain these details. However subsequent to survey the Appellant have appeared before the Assessing Officer Tambaram, and produced detailed letters regarding correct disclosure details for calculation of value of jewellery.

**METHOD OF VALUATION OF GOLD ORNAMENTS:
(As per 83 years reputed V G Mehta Income Tax Ready
Reckoner)**

i)	Difference in price of 24ct standard gold and 22ct gold ornaments	8.33%
ii)	Licensed dealers margin of profit when ornaments are sold	3.00%
iii)	Melting charges payable to the government refinery	0.67%
iv)	Soldering made of copper, silver, etc in ornaments	9.00%
Total Percentage to be deducted for valuation of gold ornaments		21.00%

Considering the method of calculation of value of gold ornaments, the approximate value of gold ornaments per gram should be as under:

Value of 24 carat gold as on 31.01.2018 as per bullion market value	Rs.3050/-
Less: Impurities as discussed above (21% of Rs.3050/-)	Rs.640.5/-
Net cost price per gram of jewellery on 31.01.2018	Rs.2409.5/-
Net cost price of gold jewellery admitted as per our calculation is	Rs.2296/-
The difference in the cost offered is (2409.5-2296) per gram is	Rs.113.5/-

The difference in valuation is due to the inclusion of lot of stone items which requires additional reduction as well as the stock of old gold



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jewellery regularly purchased or exchanged from customers. This aspect may kindly be considered.

iii. The method of valuation of gold ornaments including stone items has been adopted as detailed in below, rate of gold after all deductions being Rs.2296/- per gram is justified and It is Correct. Moreover the valuation of the jewellery includes value of ornaments consists of stone items and lesser purity items as well as items of out of dated nature and also includes old jewellery purchased from customers with lesser purity level of around 80% only which is also mixed with new jewellery while preparing inventory by the department.

Considering the nature of business and the risk involvement in the business, and the ratio of purity of jewellery varies with different types of items for different pattern of jewellery like stone items, 18 carat jewellery items, the average purity level is not more than 80%, items containing other metals, wax, due provisions were necessarily given to all these aspects, the rate adopted by us Rs.2296/- per gram, is fully justified and there is no need to increase the rate to Rs.2800/-. Hence the Appellant strongly objected the proposal of adoption of gold rate Rs.2800/- per gram, which is not the market price of the type of jewellery available in our shop.

The CIT in the CIT's Order has mentioned that while valuing the stock necessary stock of gold items the net value of the gold alone was taken into account while taking physical inventory. The weight and value of other than gold items attached in the ornament such as stones etc were not considered while taking physical inventory of stock. Hence there is no need to further reduce the weight of stone, impurities etc. The Comments made in the Commissioner's Order is not correct because on the date of survey each and every item was weighed separately and the gross weight of each and every item was noted down in the list of items found and the overall total of all the list of items found has been totalled without giving any consideration for stone items or items of lesser purity for Eg. Fancy items containing only 18 carat gold with lesser purity and also mix of Old Gold jewellery for which resale value is 20% less than the new jewellery, as the old ornaments necessary modification has to be made in terms of design, to make in a saleable condition. Necessary weightage has to be given to all these factors while valuing the gold jewellery as on the date of survey. The survey authorities have simply listed all the items on gross weight only without giving any consideration to all these factors. Hence the method of valuation adopted is totally wrong as due consideration should have been given to various type of stone items and copper contents and 18 carat gold items and old jewellery items. All the jewellery items cannot be valued at 2800 per gold items and old jewellery items. All the jewellery items cannot be valued at 2800 per gram. Considering all the aspects considered herein the value of stock adopted shall not exceed 80% of the 24k jewellery value i.e 3050 * 80% 2440 per gram only, over and above considering the sizeable old



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gold jewellery mixed in the stock listed on the date of survey the net cost price of gold jewellery calculated by the appellant Rs.2296/- is fully justified and hence the appellant pray before the Honourable authorities to consider the appellants plea for fixing the value of gold jewellery considering all these factors for fixing the correct value of stock.

Therefore, on the above grounds and on additional grounds that may be added at the time of hearing, your Appellant prays before your kind honour to delete the entire addition of Rs.2,75,97,598/- towards value of difference due to not considering the various points raised in this appeal and kindly consider the appeal sympathetically and reduce the demand raised and render justice.

Solemnly affirmed and declared on this day of 13th day of January 2025.

3. Grounds of appeal raised by the Revenue in ITA No.330/Chny/2025 is as under:

1. The order of the Id. Commissioner of I.T. (Appeals) is opposed to law and facts of the case.
2. The Ld. CIT(A) erred in deleting the addition made Rs.6,09,57,358/- in respect of excess stock u/s 69B of the Income Tax Act and directing the same to be assessed as business income.
3. The Ld. CIT(A) ought to have considered that the assessee has not proved with any cogent evidence as to how the amount of Rs.6,09,57,358/- was generated in its business.
4. The Ld.CIT(A) erred in not considering facts that the assessee has to support its claim with respect to documentary evidences for unaccounted purchase, unaccounted sales out of such unaccounted purchases which is claimed to be ploughed back into the business in the form of unaccounted stock.
5. The Ld. CIT(A) erred in law in not following the decision of the jurisdictional High Court in the case of SVS Oil Mills Vs. ACIT [2020] 113 taxmann.com 388 wherein it is clearly held that the value of excess stock found in the course of survey is assessable under section 69B of the Act?
- 6 For these grounds and any other ground including amendment of grounds that may be raised during the course of the appeal proceedings, the order of Ld. CIT(A) may be set aside on this ground and that of the Assessing Officer be restored.



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4. Brief facts of the case are that the assessee is doing Jewellery Business in the HUF capacity. For the Assessment year 2018-19, the assessee has filed return of Income voluntarily admitting a total Income of Rs.4,03,82,730/-. The assessee's case was taken for scrutiny for the AY 2018-19, by the AO. The AO has passed the Assessment Order for AY 2018-19 as under:

Total Income admitted in Income Tax Return	Rs.4,03,82,730/-
Less: Additional Stock Offered as Business Income	Rs.3,33,59,760/-
Add: Addition u/s.69B – Diff. in stock	Rs.6,09,57,358/-
Assessed Income	Rs.6,79,80,328/-

5. Aggrieved, the assessee preferred an appeal before the Id.CIT(A), Chennai-20.

6. The assessee before the Id. CIT(A) had made following submissions:

5.2. The submissions made by the appellant during the appeal proceedings are summarized as below:

i) The excess stock of Rs.3,33,59,760/- was earned during the current financial year.

ii) In the GST return for the month of February/March 2018, the entire value of additional stock acquired from the current year business profit aggregating to Rs.3,33,59,760/- was taken as purchase under inward supplies of goods taxed under reverse charge mechanism.

iii) Out of the excess stock of 19196.262 grams of gold jewellery found at the business premises of the appellant, a total of 7806.05 grams pertains to old gold purchases before the date of survey and that the entire purchases of Old Gold have been made from regular customers who are purchasing new jewellery from the appellant.

iv) The old gold was purchased through cash purchase and exchange of gold jewellery and all are valued at less than



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Rs.10,000/- and duly reflected in the tally accounts which was available as on the date of survey and the AO has not considered the same while completing the assessment.

v) The valuation of gold jewellery at the time of survey was done by adopting the rate of gold at Rs.2800 per gm whereas the appellant has adopted the gold rate at Rs.2296 per gm on the basis of accepted method of valuation of gold as provided in Income Tax Ready Reckoner by V G Metha.

vi) The excess stock was added in the stock register and there was corresponding credit in the books of accounts. The excess stock found during the survey is mixed with business stock which has not been identified separately and therefore, the same is to be assessed as business income.

vii) The AO has not brought on record any adverse material to justify that the appellant has been earning income from other than business income.

viii) The entire stock was accumulated out of income from jewellery business as the business income was ploughed back into business to acquire further stock.

ix) The AO has relied upon the decision of Hon'ble High Court of Madras in the case of SVS Oil Mills vs ACIT but the said case is distinguishable on facts. In the case SVS Oil Mills, though stock was added in the stock register but there was no corresponding credit in the books of accounts. But in appellant's case, there is corresponding credit to Capital Account.

7. On perusal of the submission made by the assessee, the Id.CIT(A) has partly allowed the appeal.

8. The assessee also agitated that the Addition u/s.69B of Rs.6,09,57,358/- treating arbitrarily as unexplained investment after deducting part of business income offered amounting to Rs.3,33,59,760/- by the AO is totally wrong, uncalled for, unwarranted and against the principles of natural justice. Hence this appeal is preferred.



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9. Before us, none appeared on behalf of the assessee despite notices served. Hence, we proceed on the basis of grounds of appeal and submissions before the authorities below.

10. Per contra, the Id. DR filed a written submission wherein she contended that the assessee has contested the confirmation of the additions and non-acceptance of explanations with regard to part of the excess stock valuations while revenue has contested the decision of Id.CIT(A) accepting the value of excess stock to be business income and not an unexplained investment u/s.69B of the Act.

11. With respect to Assessee's appeal, the Id.CIT(A) has conclusively given findings based on facts that the claim of old gold purchase of 7,806 grams is not acceptable for want of evidence. Also, on the valuation of excess stock, the Id.CIT(A) vide Para 5.4 has based on facts and evidence held the rate of gold adopted by AO at Rs.2,800/- per gram for valuation of excess stock to have been correctly adopted. Hence, the order of Id.CIT(A) be upheld and the Assessee's appeal before the Tribunal be dismissed.

12. Regarding, department appeal on the taxability of excess stock found as unexplained investment u/s.69B of the Act, as against that upheld by the Id.CIT(A) as business income, it is submitted that the



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assessee neither proved before the AO nor before the Id.CIT(A) that the excess stock is derived out of undisclosed business income. There is no documentary evidence for any unaccounted purchase and unaccounted sales out of such unaccounted purchases which has become a source for the purchase for the unaccounted excess stock found during the survey. In the absence of any such evidence, it is submitted that the excess stock represents only unaccounted investments and not business income. Reliance in this regard is also placed on the decision of Hon'ble Madras High Court in the case of M/s.SVS Oil Mills vs. ACIT [2020] 113 taxman.com 388(Madras) wherein the Hon'ble High Court on similar facts in Para 8 held as under:

"In our opinion, Section 69B providing for amounts of investments in Bullion, Jewellery or other valuable articles (including excess Stocks as well) would have been more appropriate Section to be indicated in the orders passed by the Authorities below rather than section 69C- Unexplained Expenditure. Nonetheless, we are of the clear opinion that mentioning of wrong section would not upset the Additions made by the Assessing Authorities below in the present case. All these 5 provisions enumerated above have been enacted with a view to bring to tax the unexplained debit balances in the Balance Sheet of the Assessee either in the form of Unexplained Investments, Expenses or Stocks, etc., or unexplained assets, Money Bullion, Jewellery etc., and therefore, such unexplained investments and expenses intended to be brought to tax as Undisclosed income, these provisions are not only clearly worded but also indicated to plug the loopholes and check the menace of black money. Likewise, unexplained credits in the Balance Sheet are also brought to tax under section 68 of the Act."

13. We have heard the rival submissions perused the material available on record and gone through the orders of the authorities below. A survey u/s.133A of the Act was conducted at the business premises of the



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assessee on 01.02.2018. During the course of survey, the physical stock available at the business premises of the assessee was duly inventoried. When the inventoried stock was compared with Books of Accounts, it was seen that there was an excess of physical stock of gold jewellery and silver jewellery respectively to an extent of 19,196.262 grams and 2,32,510.482 grams valued at Rs.6,09,57,358/-. The assessee while filing return of income, consequent to the survey, offered an amount of Rs.3,33,59,760/- (Rs.2,61,51,935/- towards Gold jewellery of 11,390.212 Grams @ Rs.2,296/- per gram and Rs.72,07,825/- of silver jewellery of 2,32,510.482 grams @ Rs.31/- per gram) only as against the difference in value of stock found during the survey of Rs.6,09,57,358/-. During the course of assessment, on the difference in value of stock offered to tax, the assessee submitted that the difference represents a total of 7,806.05 grams of old gold purchases which has to be excluded from the excess stock of 19,196.262 grams. The remaining part of the difference was explained by the assessee to be arising out of AO valuing the gold jewellery at Rs.2,800/- per gram (rate adopted of Pure gold of 24K), as against the actual value of Rs.2,296/- per gram after accounting for deduction of 18% towards impurities. The AO did not accept the above submissions of the assessee for the reason that the assessee failed to furnish any documentary evidence to substantiate the purchase of old



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gold and the ledger copy of "purchase gold ornament - customer" which was furnished by the assessee for the first time during the course of assessment proceedings, it was found that all the purchases reflected in the ledger are made in cash and that too below Rs.10,000/- from each of the customers, without any details like list of Customers etc. Also, that the rate of Rs.2,800/- adopted for valuing the excess stock on the date of survey was very much lower than the prevailing gold rate as on 31.01.2018 at Rs.3,050/- per gram for 24K and Rs.2,905/- for 22K gold. The AO proceeded to assess the amount of Rs.6,09,57,358/- u/s.69B of the Act as against the income towards additional stock offered by the assessee of Rs.3,33,59,760/- as business income. On appeal before the Id.CIT(A) by the assessee, the Id.CIT(A) on perusal of survey records of the assessee called for from the AO noted from the statement recorded u/s.133A of the Act from N.Sumathi Kumar, Kartha of the assessee that all the accounts are updated till 28.01.2018 and also that reconciliation of sales and purchases as on the date of survey i.e. 01.02.2018 was also made available. And that from such books of accounts prepared till 01.04.2018 the Id.CIT(A) observed that purchase of old gold to an extent of 4,850.636 grams valued at Rs.3,24,48,417/- is already booked as per the books of accounts as on 29.01.2018 and the same has been taken into account while calculating the excess gold stock at the time of survey.



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The Id.CIT(A) concluded that the assessee does not have any information regarding the new claim of old gold purchased from the customers and there exists nothing more to further add, for the reason that as per the tally account as old gold purchases have already been accounted and hence the fresh claim is only an afterthought. Regarding the rate adopted for valuing the excess gold stock, the Id.CIT(A) observes that from the stock summary available at the assessee premises during the course of survey, it is seen that the assessee himself has adopted the rate at Rs.2,792.81 per gram in respect of gold ornament and Rs.2,600.85 per gram with respect to the old gold.

14. The Id.CIT(A) also observes that the deduction of 21% for impurities from the rate of 24K gold is not prescribed as per income-tax Rules and that no other deductions other than copper content in 22K gold can be allowed.

15. The Id.CIT(A) concludes that the inventory of physical stock prepared during the course of survey itself is based on the net weight of gold item only as per the assessee's own valuation mentioned in the respective tag and that the weight of stones etc. were not considered while taking physical inventory of the stock and held that the AO has correctly adopted the rate of gold at Rs.2,800/- per gram on the valuation



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of excess stock. Regarding the claim of assessee on the taxability of the value of excess stock found during the survey as business income and not u/s.69B of the Act. The Id.CIT(A) distinguished the decision of Hon'ble Madras High Court in the case of *SVS Oil Mills vs ACIT [2020] 113 taxmann.com 388 (Madras)* and relying on the decision of Hon'ble Jurisdictional Tribunal in *M/s.Overseas Leather vs. DCIT [2023] 152 taxmann.com 595 (Chennai Tribunal)* held that the income disclosed on account of excess stock has to be treated as business income when there are no other sources for such investment is found. The Id.CIT(A) also held that the excess stock was mixed with the regular stock and it was a part and parcel of the stock entry as the same is evident from the physical inventory taken at the time of survey where all the items of gold ornaments are valued together by making groups of similar items such as rings, bangles, chains etc. Hence, the same cannot be considered as an investment for the purposes of Section 69B of the Act.

16. On perusal of the arguments and submissions of the Id.DR, we found that the AO has not brought out any cogent material to state that the assessee had income from any other source other than the jewellery business. Hence, the decision of the Id.CIT(A) in concluding the excess stock found in the premises of the assessee at the time of survey along with the regular stock held has been rightly brought to tax under the head



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business income by reversing the AO's action of bringing the excess u/s.69B of the Act. In the present facts and circumstances and the judicial precedents relied by the Id.CIT(A), we do not find any reason to interfere in the decision of the Id.CIT(A) to tax the excess stock found as income from business. In view of the above discussion, we are dismissing the appeal of the revenue.

17. On the grounds raised by the assessee against the order of the Id.CIT(A) in respect of the old jewellery gold stock, which was recorded separately purchased from the customer in cash for less than Rs.10,000/- per customer and also the rate of Rs.2,800/- per gram adopted for valuation of excess stock found, we note that on the date of survey the assessee had furnished the statement taken from the accounts maintained in tally. However, as stated by the assessee before the AO as well as the Id.CIT(A) the old gold purchases which had been recorded in the separate register in tally accounts has not been considered while computing the book stock. The separate ledger "Purchase gold ornament - customer" showing the stock on the date of survey to the tune of 7,806.05 grams was considered in arriving the book stock of 27,965.853 which ought to have been increased by 7,806.05 grams resulting in book stock of 35,771.903 grams. Therefore, the actual excess stock would be 11,390.212 grams. The AO as well as Id.CIT(A) has simpliciter stated that



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the computation of book stock as detailed above has been afterthought of the assessee to bring down the excess stock as declared in his return of income, without assigning any cogent reasons for rejection. As claimed by the assessee, we note that the excess stock of 11,390.212 has been shown in the GST returns filed for the months of February and March 2018 to bring the excess stock found during the survey to the books of accounts as declared in the return of income. Therefore, the excess stock as declared by the assessee in his return of income cannot be said to be afterthought and hence, we are inclined to restrict the addition of excess stock to 11,390.212 grams.

18. In respect of rate per gram adopted by the assessee is Rs.2,296/- per gram for arriving the stock of gold jewellery and declared Rs.2,61,51,927/- as income towards excess stock of gold jewellery. However, we note that the AO as well as Id.CIT(A) have considered the rate per gram as Rs.2,800/- per gram. During the assessment proceedings the assessee himself has stated that the gold jewellery is valued at Rs.2,409/- per gram also as per his letter dated 17.06.2021. In view of the above three rates are given, in the peculiar circumstances and to end the litigation, we are constrained to adopt the rate of Rs.2,409/- per gram of gold jewellery as agreed by the assessee in his letter dated 17.06.2021 and compute the income as detailed below:



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CO No.330/Chny/2025 (AY 2018-19)
Smt. N. Sumathi Kumar, HUF

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Income as per return of income	Rs.4,03,82,730/-
Less: Additional stock offered as business Income	Rs.3,33,59,760/-
Actual business Income for the year	Rs. 70,22,978/-
Add: Revised additional stock computation of income	Rs.2,74,39,021/-
Gold Jewellery 11,390.212 Grams @ 2,409/-	
Silver jewellery 2,32,510.482 Grams @ Rs.31/-	Rs. 72,07,825/-
Total income from business	<u>Rs.4,16,69,824/-</u>

19. In the result, appeal filed by the Revenue is dismissed and Cross-appeal filed by the assessee is partly allowed.

Order pronounced on the 18th day of July, 2025, in Chennai.

Sd/-

(अमिताभ शुक्ला)

(AMITABH SHUKLA)

लेखा सदस्य/**ACCOUNTANT MEMBER**

Sd/-

(मनु कुमार गिरि)

(MANU KUMAR GIRI)

न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: 18th July, 2025.

TLN, Sr.PS

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF