

IN THE INCOME TAX APPELLATE TRIBUNAL "PATNA" BENCH, PATNA

**BEFORE SHRI DUVVURU RL REDDY, VP
AND
SHRI RAJESH KUMAR, AM**

**ITA No.152/PAT/2019
(Assessment Year: 2013-14)**

Ghanshyam Prasad Gupta
Prop. Gobaardhnram Ramashish
Prasad & Sons, Garibasthan
Road, Purani Bazar,
Muzzaffarpur-842001, Bihar

(Appellant)

ACIT, Central Circle
ACIT Central Circle, Muzaffarpur,
Bihar

Vs.

(Respondent)

PAN No. ACTPG2015N

Assessee by : S/Shri A.K. Rastogi
Rakesh Kumar, Ars
Revenue by : Shri Ashwani Kr. Singal, DR

Date of hearing: 27.11.2025
Date of pronouncement: 09.12.2025

ORDER

Per Rajesh Kumar, AM:

This is an appeal preferred by the assessee against the order of the Commissioner of Income-tax (Appeals)-3, Patna (hereinafter referred to as the "Ld. CIT(A)") dated 20.03.2019 for the AY 2013-14.

2. The issue raised in ground no.1 is general in nature and need no specific adjudication.
3. The issue raised in ground no.2 is part confirmation of addition to the extent of ₹2,41,392/- by the learned CIT (A) as against the addition made by the learned AO of ₹11,07,340/-

3.1. The facts in brief are that a search action u/s 132 of the Act was conducted on the residential and business premises of M/s Gobardhan Ram Ramashish Prasad Jewellers Group on 28.06.2012. The assessee Shri Ghanshyam Prasad Gupta, was also carrying on the business of jewellery under the name and style of M/s Goverdhan Ram Ramashish Prasad and Sons was also searched u/s 132(1) of the Act as belonging to the same group. During the course of search proceedings, inventory, stock-in-trade was taken physically and certain discrepancies were found and the total discrepancies were calculated as under: -

Items	Stock Physically found	Value	Stock as per books	Value	Difference
Gold	5809.860	₹1,50,62,062/-	1603.09 gms	₹47,90,948/-	₹1,02,71,114
Silver	56557 gms	₹20,98,264/-	10915.412 gms	₹8,32,432/-	₹12,65,831
Diamond	-	₹27,93,775/-		₹7,23,380/-	₹20,70,395

3.2. As so far as the valuation of gold, diamond and silver is concerned, there is no difference between the gold, ornaments and silver ornaments valuation and difference arose in respect of diamond jewellery valuation which was initially valued at ₹27,93,775/- and was also accepted by the department Valuer. However, the assessee later on realized that there was wrong valuation and thereafter the correct valuation was furnished.

3.3. In the appellate proceedings, the learned CIT (A) relied on the statement as mentioned in the oath about the value of diamond and jewellery, which is available at page no.45 of the Paper Book and accordingly, the addition of ₹2,41,392/- sustained by partly allowing the appeal of the assessee.

3.4. After hearing the rival contentions and perusing the materials available on record, we find that the assessee has initially calculated the value of diamond, jewellery at ₹27,93,02,000/- which was found

short which was also accepted by the deptt valuer , whereas the correct valuation as per the assessee was ₹19,11,349/- as per the calculation below:-

Particulars	Amount	Amount
Value of Sl. No.1,2,3 & 5 as per valuer's report		15,40,175
Add: Value of Sl. No.4-62.680 gm of 18 carat of gold valued @ ₹3,050/- per gram (as per valuer -page 40 of Paper Book)=1,91,174	1,91,174	-

3.5. We note that if the jewellery valuation of ₹19,11,349/- is taken then the valuation of total jewellery comes to 1,20,79,572/- against which the assessee has already offered income of ₹1,25,00,000/- and thus, there is no addition called for. We find merit in the contention of the assessee and accordingly, modified the order of learned CIT (A) and direct the learned AO to delete the addition. The ground no. 2 is allowed.

4. The second issue raised by the assessee in ground no.3 is against the part confirmation of addition at ₹3,50,000/- by the learned CIT (A) as made by the learned AO of ₹9,08,405/-.

4.1. After hearing the rival contentions and perusing the materials available on record, we find that the learned AO has made an addition of ₹9,08,405/- on account of cash found during the course of search. The learned CIT (A) reduce the addition to ₹3,50,000/- by partly allowing the appeal of the assessee.

4.2. After hearing the rival contentions and perusing the materials available on record, we find that the learned CIT (A) did not accept the contention of the assessee that the said cash belonging to Ghanshyam Prasad Gupta (HUF), only on the ground that the HUF was not assessed to tax. Before us the assessee furnished computation of income, balance sheet, capital account ,agreement of sale of lichi from A.Y.

2006-07 to 2013-14, which were also available before the lower authorities and thus, justified the cash of ₹3,50,000/- was belonging to the assessee (HUF). The assessee has a HUF and out of total cash found during the course of search of ₹9.08 lacs out of which Rs. 3,50,000/- was claimed to be belonging to the HUF. Though, we note that the HUF, has not filed the return of income because its income was not taxable. However, it is undisputed that the HUF has derived a rental income and income from sale of lichi as the HUF was owning undisputedly huge land bearing lichi garden. Therefore, we find merit in the contention of the assessee and accordingly, we set aside the order of learned CIT (A) on this issue and direct the learned AO to delete the addition. The ground no. 3 is allowed.

5. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 09.12.2025.

Sd/-
(DUVVURU RL REDDY)
(VICE PRESIDENT)

Sd/-
(RAJESH KUMAR)
(ACCOUNTANT MEMBER)

Patna, Dated: 09.12.2025

Sudip Sarkar, Sr.PS

Copy of the Order forwarded to:

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

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Patna