

**16IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH, 'E': NEW DELHI**

**BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT**

**AND**

**SHRI AMITABH SHUKLA, ACCOUNTNAT MEMBER**

**ITA No.3264/DEL/2025  
[Assessment Year: 2018-19]**

Shri Vinod Kumar Bhatia M/s Prerit Steel Traders, 7, Smile 20/2, Mathura Road, Faridabad, Haryana-121006	Vs	Assistant Commissioner of Income Tax, Circle-25, Jhandewalan Extension, New Delhi-110055
<b>PAN-AEFPB6561A</b>		
Appellant		Respondent

Appellant/Assessee by	Shri Mahir Aggarwal, Adv. Shri Shailesh Gupta, Adv. Shri Madhur Aggarwa, Adv.
Respondent/Revenue by	Ms. Ankush Kalra, Sr. DR.

<b>Date of Hearing</b>	<b>02.02.2026</b>
<b>Date of Pronouncement</b>	<b>02.02.2026</b>

**ORDER**

**PER MAHAVIR SINGH, VP,**

This appeal by the assessee is arising out of order of learned Commissioner of Income Tax (Appeals)-29, New Delhi [hereinafter referred to as 'ld. CIT(A)] in appeal No.CIT(A), Delhi-29 10322/2019-20 order dated 26.03.2025. Assessment was framed by ACIT, Central Circle-25, New Delhi, under section 143(3) of the Income Tax Act, 1961(hereinafter referred to as 'the Act') vide his order dated 26.12.2019, for the Assessment Year 2018-19.

2. The only issue in this appeal is as regards to the order of the Id. CIT(A) confirming the action of the Assessing Officer in making addition of unexplained jewellery found during the course of search under section 69A of the Act amounting to Rs.13,82,644/-.

3. We have heard rival contentions and gone through the facts of the case. We noted that during the course of search on the assessee on 05.10.2017, the searched party found gold jewellery weighing 152.92 grams from the residence of the assessee at F-4/10, DLF Faridabad and weighing another jewellery of 743.524 grams from the bank locker no.7 maintained with ICICI Bank Sector-7, Faridabad. As the assessee could not explain before AO, the AO added back the jewellery found during the course of search as unexplained and added to the returned of income of the assessee amounting to Rs.13,82,644/-. Aggrieved assessee preferred appeal before the Id. CIT(A), who also confirmed the action of AO.

4. Aggrieved assessee is in appeal before the Tribunal.

5. We noted from the facts of the case that total jewellery seized was 896.444 grams i.e 152.92 grams from the residence of the assessee and 743.524 grams from bank locker of the assessee. The Id. Counsel for the assessee now before us stated that the issue stands covered in favour of the assessee for the reason that there five family members of the assessee Shri Vinod Kumar Bhatia namely Smt. Asha Bhatia the wife, mother, Prerit Bhatia the son, Mehul

Bhatia, the son, and assessee himself. The Id. Counsel for the assessee filed a complete chart of the jewellery found and explained jewellery as under:-

<b><u>S. NO.</u></b>	<b><u>Family Member</u></b>	<b><u>Jewellery Admitted By Assessee (Residence)</u></b>	<b><u>Jewellery Admitted By Assessee (Bank Locker)</u></b>	<b><u>Total Jewellery Admitted By Assessee In Statement Recorded u/s 132(4)</u></b>	<b><u>Jewellery Allowed Per Family Member As per CBDT Instruction No.1916 Dated 11.05.1994</u></b>
1.	Asha Bhatia (Wife)	5 tolas or 58.32 gms (approx)	16 tolas or 186.62 gms (approx)	21 tolas or 244.940 gms (approx)	500 gms allowed per married lady
2.	Mother	-	-	-	500 gms allowed per married lady
3.	Prerit Bhatia (SON)	-	5 tolas or 58.32 gms (approx)	5 tolas or 58.32 gms (approx)	100 gms allowed per male member
4.	Mehul Bhatia (SON)	-	3 tolas or 34.99 gms (approx)	3 tolas or 34.99 gms (approx)	100 gms allowed per male member
5.	Vinod Kumar Bhatia (Assessee)	2 tolas or 23.33 gms (approx)	6 tolas or 69.98 gms (approx)	8 tolas or 93.31 gms (approx)	100 gms allowed per male member
		7 tolas or 81.65 gms (approx)	30 tolas or 349.91 gms (approx)	37 tolas or 431.568 gms (approx)	1300 gms allowed in this case as per CBDT instruction no.1916 dated 11.05.1994 but only 896.444 gms (152.92 gms residence & 743.524 gms bank locker) found during the course of search.

6. The Id. Counsel for the assessee stated that as per CBDT Circular no.1916 dated 11.05.1994, the jewellery to the extent of 500 grams per married lady and 100 grams per mail member is to be allowed and not to be seized. This issue has been further adjudicated by various Hon'ble High Courts including

Rajasthan High Court in the case of CIT vs Satya Narain Patni reported in 366 ITR 325 (Raj.), Hon'ble Gujarat High Court in the case of CIT vs Ratanlal Vyaparilal Jain reported in 339 ITR 351 (Guj.) and Hon'ble Karnataka High Court in the case of Patni Devi vs ITO reported in 240 ITR 727 (Kar.) that the presumption in regard to the above circular goes in favour of the assessee that it is presumed that the jewellery to the extent as mentioned in the Circular is treated as explain because the presumption has not rebutted in the present case by the Revenue. Hence, we treat this jewellery as explained and delete the addition.

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

Order pronounced in the open court on 02<sup>nd</sup> February, 2026.

**Sd/-**  
**[AMITABH SHUKLA]**  
**ACCOUNTANT MEMBER**

**Dated:** 04.02.2026

*Shekhar*

Copy forwarded to:

1. Appellant
2. Respondent
3. PCIT
4. CIT(A)
5. DR

**Sd/-**  
**[MAHAVIR SINGH]**  
**VICE PRESIDENT**

Asst. Registrar,  
ITAT, New Delhi,