

**IN THE INCOME TAX APPELLATE TRIBUNAL  
(DELHI BENCH “C” : NEW DELHI)**

**BEFORE SH. YOGESH KUMAR US, JUDICIAL MEMBER**

**AND**

**SH. MANISH AGARWAL, ACCOUNTANT MEMBER**

ITA No. 82/DEL/2026 (AY 2023-24)

<b>DINESH KUMAR JAIN, 1<sup>ST</sup> FLOOR, F-147, SECTOR- 22, GAUTAM BUDDHA NAGAR, NOIDA {PAN: AATPJ0378D}</b>	<b>Vs.</b>	<b>DCIT/ACIT, SECOND FLOOR, CENTRAL CIRCLE-II, NOIDA, UP-201303</b>
<b>(APPELLANT)</b>		<b>(RESPONDENT)</b>

Appellant by	Sh. Rohit Kapoor, Adv. & Sh. Vir Sain Aggarwal, ITP
Respondent by	Sh. Dayainder Singh Sidhu, CIT(DR)

Date of hearing:	19/03/2026
Date of Pronouncement:	20/05/2026

**ORDER**

**PER MANISH AGARWAL, AM :**

This appeal filed by the Assessee is directed against the order of the Ld. Commissioner of Income Tax (Appeals-3), Noida [hereinafter referred to as “CIT(A)”] dated 17.11.2025 arising out the assessment order 22-3-2025 u/s 143(3) of the Income Tax Act, 1961 (in short “the Act”) pertaining to A.Y. 2023-24. The assessee has raised the following grounds of appeal:

1. That the Ld. CIT(A) erred in law and on facts in partially confirming the addition, ignoring that the approval was accorded under section 148B whereas the assessment was framed under section 143(3), rendering the assessment bad in law.
  2. That the CIT(A) erred in upholding the assessment under section 143(3), which is bad in law as the notice issued u/s. 143(2) of the Act, having been issued without obtaining the mandatory approval Pr. CIT/Pr. DIT/DITs in violation of Instruction No. F.No. 225/72/2024-ITA.II, dated 3.5.2024, and hence, the assessment so framed is bad in law and liable to be quashed.
  3. The Ld. CIT(A) erred in law and on facts and acted arbitrarily in confirming the addition of Rs. 2,32,000/- on account of 40 grams of gold, ignoring the appellant's explanation that the gold coins were received on occasions such as marriage and family functions over a period of time, which is consistent with prevailing Indian social customs.
  4. The Ld. CIT(A) erred in law and on facts in confirming the addition of 40 grams of gold in the hands of the appellant, ignoring that Locker No. D-19 was jointly held by the appellant and his wife, Suman Jain, and further failed to appreciate that it was specifically submitted before the AO that part of the gold coins belonged to the appellant's wife.
  5. That the Ld. CIT(A) erred in law and on facts in confirming the addition by ignoring that 40 grams of gold coins belonged to the appellant's wife, purchased out of her disclosed income and kept in a jointly held locker.
3. The ground No. 1 is general in nature and ground no. 2 has not been pressed. However, the assessee has argued the ground no. 3, 4 & 5 which are relating addition of Rs. 2,32,000/- on account of 40 grams gold found in Locker No. D-19.
4. The brief facts of the case are that assessment was framed u/s. 143(3) consequent to search u/s. 132 in the Ulfex Montage Group of cases. As per AO, during the course of search and seizure, bullion amounting to Rs. 7,25,000/- (125 grams) was found and seized from the premises of the assessee. The total bullion 125 grams

aggregating 21 gold ginnies were found and seized which were claimed as received being customary gifts during functions such as on the occasions of marriage, birth of children etc. AO made the addition of the same by holding the bullion is not covered under the CBDT Instructions No. 1916 dated 11.5.1994 though the gross jewellery found from the possession of the assessee including ginnies was less than the prescribed limit as per the above said circular. In first appeal, Ld. CIT(A) has allowed the deduction of 40 grams of the gold as received during the functions as customary gifts and further allowed credit of 45 grms gold purchased out of self funds. The remaining addition of Rs. 2,32,000/- of 40 grams of jewellery was sustained by the Ld. CIT(A). Against the above, assessee appealed before the Tribunal.

5. We have heard both the parties and perused the material on record. Out of the total 125 grms of bullion found aggregating 21 gold ginnis Ld. CIT(A) has allowed the deduction of 40 grams of the gold as received during the functions as customary gifts and further allowed credit of 45 grms gold purchased out of self funds. The assessee has placed copy of bill dated 31.12.2011 which has been placed at Paper Book page No. 22 issued by the Manohar Lal Saraf and Sons Jewellers Pvt. Ltd., P-12A, Sector-18, Noida wherein cash payment was made. The said copy of the bill was produced before the lower authorities, however, the same was not accepted. It appears that Ld. CIT(A) while allowing the credit as purchased gold of 45 grams from self funds and also considered the 40 grams of this jewellery merely for the reasons that bullion cannot be the part of the jewellery, thus, addition cannot be made more particularly, in view of the CBDT Instructions No. 1916 dated 11.5.1994, as 500 grams of gold jewellery has been allowed as explained. Considering the overall facts of the case, we are of the view that the assessee should be allowed credit of the above said Instructions of CBDT as well as

aforesaid bill and therefore, addition made by the AO and further remaining sustained by the CIT(A) deserve to be deleted. We hold and direct accordingly. Accordingly, the grounds no. 3 to 5 are allowed.

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

Order pronounced in the Open Court on 20.05.2026.

Sd/-

**(YOGESH KUMAR US)**  
**JUDICIAL MEMBER**

SR Bhatnagar

Date: 20.05.2026

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

Sd/-

**(MANISH AGARWAL)**  
**ACCOUNTANT MEMBER**

ASSISTANT REGISTRAR

ITAT DELHI