

## **DHC in Maggo Group Cases: Admission/Estoppel & Taxability under Income Tax Act**

Held:

*“...Once the assessee was able to duly explain the source of purchase of the entire disputed jewellery, we are of the opinion that the CIT(A) committed an error in falling back on the conditional offer given by the assessee before the A.O. along with the return in Form 2B. From the language of the offer given, it is clear that it was a without prejudice offer and was not in the nature of “admission on the basis of which she could be fastened with the liability which otherwise did not exceed”. Provision of Section 23 of the Indian Evidence Act would clearly be applicable in such a case. This section reads as under:-*

*“23. Admission in civil cases, when relevant- In civil cases no admission is relevant, if it is made either upon an express condition that evidence of it is not to be given, or under circumstances from which the Court can infer that the parties agreed together that evidence of it should not be given.”*

*13. That apart, it is trite law that the principle of estoppels has no application in the Income Tax Act. Exactly, this very issue came up for consideration before this court in **Commissioner of Income Tax Vs. Bharat General Reinsurance Co. Ltd. 80 ITR 303** and the position was explained in the following manner.....*

*To the same effect are the following judgments.*

***91(1973) ITR 18- Pullangode Rubber Produce Vs. St. of Kerala., 66(1976) ITR 647 & 251 (2001) ITR 873...”***