

1. **Where statement recorded under section 132(4) had been retracted, in the absence of other supporting material, a statement of that nature cannot constitute the basis to burden an assessee.** The effect of Explanation to section 132(4) is that the Assessing Officer can rely upon it in respect of pending proceedings also, as a piece of evidence, but not as the sole basis for imposing additional financial liability upon an assessee either in the form of denial of benefits which an assessee is otherwise entitled to, or subjecting him to prosecution. To be more precise, if there exists any other supporting material, the statement recorded under section 132(4) can certainly be taken aid of. Conversely, in the absence of other supporting material, a statement of that nature cannot constitute the basis to burden an assessee. **Commissioner of Income-tax, Karnataka v. Shri Ramdas Motor Transport Ltd [2015] 230 Taxmann 187 (Andhra Pradesh)**
  
2. **If seized jewellery were found to belong to ladies of family within permissible limit of 500 gms. each, the same cannot be seized.** Regarding the investment, it appears that the seized jewellery was claimed by three ladies namely Rupali Rastogi, Smt. Sunita Rastogi; and Smt. Kamni Rastogi. All the ladies belonged to the reputed families and they are married. As per the CBDT Circular discussed in the case of *Smt. Pati Devi v. ITO* [\[1999\] 240 ITR 727 \(Kar.\)](#) 500gm, jewellery is expected in the possession of a married lady and that much of ornaments cannot be seized. If we go with the CBDT Circular dated 11.05.1994 and the ratio laid down in the case of *Smt. Pati Devi* (supra), then each lady is expected to own 500gm. ornaments. **Commissioner of Income-tax, (Central), Kanpur v. Ghanshyam Das Johri [2014] 41 taxmann.com 295 (Allahabad).**