Commissioner of Income Tax, Karnal v. Ramesh Bhayana

ITA 560/2006

ITA 560/2006 | 2007-04-18

Unexplained-investment deletions were supported by evidence

High Court of Punjab and Haryana | Chandigarh | M.M. Kumar | Rajesh Bindal

Assessment years:

01 FACTS OF THE CASE

Revenue challenged deletion of Rs.21,00,094 relating to plots, properties and house construction, and Rs.1,49,000 relating to jewellery, in the block period 1988-89 to 1998-99. The Tribunal upheld the first appellate relief, considering the assessee's and wife's earlier tax records and loan or advance affidavits.

Source: PDF pp.1–2

02 DISCUSSION BY THE HON'BLE COURT

The affidavits were not controverted and their makers were not examined. Revenue identified no other material showing that the Tribunal's view was impermissible. On valuables too, mere conjecture did not rebut the explanation. The Court found no demonstrated perversity giving rise to a substantial question of law.

Source: PDF pp.2–3

03 JUDICIAL DECISION

Revenue's appeal was dismissed because no substantial question of law arose. The Tribunal's deletion of the challenged additions remained intact.

Source: PDF p.3

04 OUTCOME / IN WHOSE FAVOUR

Assessee-favourable final dismissal based on the evidentiary record and absence of perversity. The Court did not establish a universal jewellery allowance or an automatic exemption for every loan supported by an affidavit.

Source: PDF pp.2–3

05 EXPERT COMMENTS

Unrebutted evidence must be assessed in its factual setting — The Tribunal had tax histories predating the block period and identified persons supporting loans or advances. The officer neither contradicted the affidavits nor examined their makers. The Court's acceptance of a possible factual view depends on that record; it is not a direction to accept every affidavit regardless of credibility or contradictory evidence.

A perversity challenge requires a concrete evidentiary defect — Revenue alleged ignored material but could not identify evidence making the Tribunal's view untenable. A section 260 A challenge cannot succeed merely by proposing another inference from the same facts. The useful comparison is between the material actually considered, any omitted material and the finding challenged.

Do not turn the valuables discussion into a fixed safe harbour — The judgment mentions a prior Tribunal decision and a CBDT instrument without reproducing their full terms. The operative conclusion is that the explanation had not been rebutted by material. This source alone does not justify a numerical jewellery exemption or certify the current scope of an administrative circular.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

Punjab and Haryana High Court order; verified source copy

Complete source PDF reviewed: 3 physical pages.

All 3 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Sections and disposition are recorded only to the extent stated in this source order.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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