

The Guru Estate through Dwarkadas Guru and Others v. Commissioner of Income-tax, Bihar and Orissa

Civil Appeals Nos. 248 to 253 of 1962

[1963] Supp. 1 SCR 667 | 1962-10-19

Annadan receipts: religious exemption and limits of High Court reference jurisdiction

Indian Income-tax Act, 1922: section 4(3)(i) | Indian Income-tax Act, 1922: section 4(3)(ii) | Indian Income-tax Act, 1922: section 66(2)

3-judge bench | J.L. Kapur, J. | M. Hidayatullah, J. | J.C. Shah, J.

Assessment years: 1946-47, 1947-48, 1948-49, 1949-50, 1950-51, 1951-52

Historical exemption and reference provisions

The ruling turns on the Tribunal's findings and sections 4(3)(i), 4(3)(ii) and 66(2) of the 1922 Act. Current trust exemptions, registration conditions and appellate remedies require separate verification.

01 FACTS OF THE CASE

Members of a Hindu undivided family worked as Pandas assisting pilgrims at the Jagannath temple in Puri. In addition to taxable Dakshina or Pranami, they collected 'Annadan' under written Annadan or Atika Patras and claimed exemption for assessment years 1946-47 to 1951-52. They said the amounts were for Bhog and were income from trust property or voluntary contributions of a religious institution. The Income-tax Officer, Appellate Assistant Commissioner and Tribunal rejected the claim. The Tribunal found that the money was not used exclusively for Bhog, the receipts arose from the Pandas' pilgrim business, no trust was intended or created, and the assesseees were not a religious institution. On the section 66(2) reference, the Orissa High Court instead assumed a trust and treated it as private (physical pages 3-6/SCR 669-672).

Source: [Physical pages 3-6 / SCR 669-672](#)

02 DISCUSSION BY THE HON'BLE COURT

For section 4(3)(i), the income had to be derived from property held under a trust or other legal obligation solely for religious or charitable purposes. For section 4(3)(ii), it had to be income of a religious or charitable institution from voluntary contributions applicable exclusively to such purposes. On the Tribunal's findings, neither description was met: there was no trust, the joint family was not such an institution, and the receipts were not exclusively applied to religious or charitable purposes (physical page 7/SCR 673). The Court then explained section 66 reference discipline. Fact-finding belonged to the Tribunal, and the High Court had to advise on the law applicable to those facts. A factual finding could be challenged through a properly framed no-evidence, unreasonable or legally misdirected question, but the High Court could not ignore the unchallenged finding that no trust existed and decide a different question on an assumed private trust (physical pages 7-9/SCR 673-675).

Source: [Physical pages 7-9 / SCR 673-675](#)

03 JUDICIAL DECISION

The exemption failed. In the absence of a finding that Annadan income came from property held under a religious or charitable trust, section 4(3)(i) did not apply; section 4(3)(ii) also failed because the assessee was not a religious or charitable institution. Although the High Court had exceeded its advisory jurisdiction by assuming a trust, no remand was useful because the correct statutory analysis still defeated the claim. All six appeals were dismissed, with no order as to costs (physical page 9/SCR 675).

Source: [Physical page 9 / SCR 675](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue. The assessee appellants did not obtain the religious/charitable exemption; all six appeals were finally dismissed without a costs order. The Court criticised the High Court's reference approach but did not grant the assessee relief or recognise a private trust.

Source: [Physical pages 7-9 / SCR 673-675](#)

05 AKHB REVIEW POINT

AKHB analysis: labels such as Annadan, Bhog or a religious purpose in a donor form do not by themselves establish exempt trust income. Preserve evidence of the legal obligation, the recipient's institutional character, receipt accounting and exclusive application. Procedurally, identify and challenge the Tribunal's foundational findings through the correct question; a reference court cannot replace an unchallenged fact finding with a more favourable assumption. The statutory exemptions and reference mechanism here are historical, so verify current sections, registration and compliance conditions, appellate powers and later authorities before use.

Source: [AKHB analysis based on physical pages 3-9 / SCR 669-675](#)

SOURCE & VERIFICATION

Supreme Court Reports scan - public eSCR mirror

Complete nine-page SCR source read and every page image reviewed; one common judgment in six appeals, printed SCR 667-675.

Open cited source rendition

The exact downloaded PDF matches the catalogue SHA-256 and nine-page count; all nine physical text pages and page images were reviewed.

The primary report identifies six appeals, Nos. 248-253 of 1962; the catalogue's single appeal number is incomplete.

No matching title, date, dockets, reported citation, source hash or Annadan-fact record exists in the published case collection or source-disposition register.

STATUTORY SCOPE

The decision construes religious/charitable exemptions and reference jurisdiction under the Indian Income-tax Act, 1922. No automatic crosswalk is made to the Income-tax Act, 1961, the Income-tax Act, 2025, or current appellate procedure.

LATER TREATMENT

Source checked 2026-10-11. The complete identified judgment has been checked. Comprehensive subsequent judicial treatment, amendments and current-law status have not been verified; this note is not a citator status certificate.

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This AKHB research note was prepared with AI assistance from the identified primary report and has not been represented as independently human-reviewed.

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