

## Roshan-Di-Hatti v. Commissioner of Income Tax

Civil Appeal No. 284 of 1972 — Assessee appeal by special leave from the Delhi High Court reference decision.

[1977] 3 SCR 153 | 1977-03-08

**Although the assessee bore the burden of explaining its capital, the Tribunal's finding that Rs.2,33,414 represented undisclosed income lacked material and was unreasonable. Informal answers obtained without the prescribed additional-evidence procedure could not support that finding (SCR 160-164).**

Indian Income-tax Act, 1922 | 1922 Act: 34(1)(a) | 1922 Act: 66(2)

3-judge bench | P.N. Bhagwati, J. | R.S. Sarkaria, J. | S. Murtaza Fazal Ali, J.

### 01 FACTS OF THE CASE

The Hindu undivided family carried on a Lahore jewellery business before Partition. Its karta moved to India in June 1947, transferred bank funds, and placed a sealed trunk in bank custody. On starting business in Delhi in March 1948, the family recorded capital of Rs.3,33,414 in jewellery, gold, stones and money. In proceedings for assessment year 1948-49, the Income-tax Officer accepted only Rs.20,000 as old capital; the Appellate Assistant Commissioner raised this to Rs.1 lakh. The Tribunal sustained the remaining Rs.2,33,414 addition, and the Delhi High Court answered the reference for the Revenue (SCR 155-160).

Source: [SCR 153-164; physical PDF pages 1-12](#)

### 02 DISCUSSION BY THE HON'BLE COURT

Bhagwati J., for three judges, reaffirmed that unexplained receipts may be treated as income without the Revenue identifying a particular income source. Judicial interference with a factual finding nevertheless remained available where there was no material or the conclusion was unreasonable. Accepted findings showed a substantial Lahore business, bank transfers and valuable property brought in the trunk. Failure to pay Lahore tax or respond to a 1952 disclosure announcement could not justify fixing the imported assets at only Rs.1 lakh. The announcement itself was not produced; its concession was assumed for argument. Questions put informally by Tribunal members about the trunk's weight disregarded rules 29-31 and produced no usable record evidence (SCR 160-163).

Source: [SCR 153-164; physical PDF pages 1-12](#)

### 03 JUDICIAL DECISION

The addition could not stand. There was no demonstrated income-producing activity in India before business began, and earning the disputed sum in the unsettled intervening months was overwhelmingly improbable. The Revenue had not challenged the capital entry as subsequently fabricated; the Court expressly recognised that such a different case would affect this reasoning (SCR 163-164).

Source: [SCR 153-164; physical PDF pages 1-12](#)

#### 04 OUTCOME / IN WHOSE FAVOUR

Assessee The appeal was allowed, the High Court order set aside, and the reference answered negatively. The Commissioner was directed to pay the assessee's appeal costs. No remand was ordered (SCR 164). Historical income-tax questions decided within the issue limits stated in this note No current-law or comprehensive later-treatment certification.

Source: [SCR 153-164; physical PDF pages 1-12](#)

#### 05 AKHB REVIEW POINT

This historical 1922 Act case combines the taxpayer's evidential burden with limits on unsupported fact-finding. It does not excuse every deficient explanation. The reference prints 31 March 1948; the narrative and conclusion repeatedly print 30 March. Subsequent treatment and current statutory mappings remain unverified.

Source: [SCR 153-164; physical PDF pages 1-12](#)

### ASSESSMENT YEARS AND LIMITS

**Years:** 1948-49

**Qualification:** Only years material to the issues described are listed; different claims may cover different years as stated in the facts.

### REPORTED CITATION

Supplied SCR report citation; no machine-generated neutral citation substituted.

### STATUTORY CONTEXT

Income-tax Appellate Tribunal Rules, rules 29, 30 and 31

### SOURCE & VERIFICATION

#### Original reported Supreme Court judgment

Unchanged supplied SCR report; catalog identifies a CC-BY-4.0 public eSCR mirror. Not represented as a separately fetched official signed PDF. Headnote SCR 153-155; jurisdiction/counsel and sole Bhagwati J. judgment begin SCR 155; disposition SCR 164. No adjacent judgment included.

#### Open cited source rendition

The quoted reference at SCR 160 dates the credit 31 March 1948; the facts and conclusion use 30 March 1948.

The headnote at SCR 154 prints Rs.3,30,414 as the initial balance; the judicial narrative at SCR 157 gives Rs.3,13,414 after the Rs.20,000 allowance. The final disputed addition is Rs.2,33,414.

The report alternates Imperial Bank and State Bank nomenclature in discussing or quoting custody evidence.

The first bank remittance is printed Rs.12,004 in the SCR 154 headnote but Rs.12,094 in the judicial narrative at SCR 155 and 158.

### STATUTORY SCOPE

Indian Income-tax Act, 1922. The historical operative enactment is identified. Other enactment references are source context only unless expressly identified as operative; no 2025 mapping is asserted.

### LATER TREATMENT

Source checked 2026-10-09. Subsequent appeals, review proceedings, stays, reversals and later treatment have not been comprehensively checked. This is not a citator status certificate.

#### **AI DISCLOSURE**

AI-assisted research. The AKHB Review Point is editorial analysis, not part of the Court's judgment.

#### **PROFESSIONAL DISCLAIMER**

AI-assisted legal research note for general information and professional research. Verify the original judgment, applicable statutory version and later treatment before reliance. The AKHB Review Point is editorial analysis.