

Judgment  
1967/2

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL      No.14 of 1964

ON APPEAL FROM THE COURT OF APPEAL FOR  
EASTERN AFRICA

B E T W E E N :-

RATTAN SINGH  
s/o Nagina Singh                      APPELLANT

- and -

THE COMMISSIONER OF  
INCOME TAX                              RESPONDENT

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RECORD OF PROCEEDINGS

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VOL. IV

Page 1384 to 1562.

T.L. WILSON & CO.,  
6 Westminster Palace Gardens,  
London, S.W.1.

Solicitors for the Appellant.

CHARLES RUSSELL & CO.,  
37 Norfolk Street,  
London, W.C.2.

Solicitors for the Respondent.

BASE NAME

ACCESSION NUMBER

91399

UNIVERSITY OF LONDON  
INSTITUTE OF ADVANCED  
LEGAL STUDIES  
15 MAR 1968  
25 RUSSELL SQUARE  
LONDON, W.C.1.

Exhibit 1  
Bundle of Correspondence

THE EAST AFRICAN INCOME TAX DEPARTMENT

P.O. Box 520,

NAIROBI.

24th December, 1954.

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958

Mr. Rattan Singh,  
P.O. Box 1047,  
Nairobi

10 Dear Sir,

I acknowledge receipt of your 1952 and 1953 income Returns and accounts and should be glad if you would supply the following information:-

- (a) Details of all buildings erected by you on your own property since the 1st January, 1951.  
State cost and property L. R. Number.
- (b) Details of all 1953 contracts worth over £1000 gross.

20

Yours faithfully,

Sd. G. Blake

(Assessor)

EAST AFRICAN INCOME TAX DEPARTMENT

P.O. BOX 520,

NAIROBI

4th February, 1955.

Mr. Rattan Singh,  
P.O. Box 1047,  
Nairobi.

30 Dear Sir,

I would remind you of my letter dated 24th

Exhibits

December, 1954 and shall be glad if you will let me have immediate reply.

Exhibit 1

Bundle of

Correspondence of any land and property transactions since the 24th December 1st January, 1951.

1954 to 3rd

May 1958

(Continued)

At the same time, please let me have details of any land and property transactions since the 24th December 1st January, 1951.

Yours faithfully,

Sd. C.V. Rawilins.

(ASSESSOR)

RATAN SINGH,

P.O. Box 1047,

10

NAIROBI.

4th March, 1955.

The Regional Commissioner  
of Income Tax,  
P.O. Box 520,  
NAIROBI

Dear Sir,

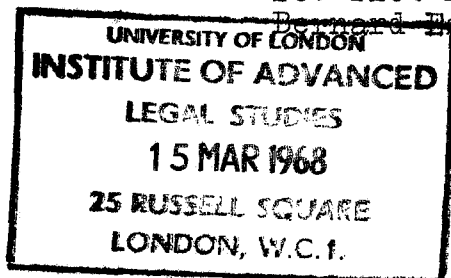
I have received your letter reference 22433 of 24th December 1954 and beg to apologise for the delay in replying the same.

20

I give below the details of the contracts take by me during the year 1953.

<u>DESCRIPTION</u>	<u>GROSS AMOUNT</u>	<u>Actual work completed in 1953</u>
1. City Council Nairobi re: African Housing Bahati	Shs. 14496-00	14496-00
African Housing Gorofani	457587-00	345368-00
2. Mr. H.B. HOBKIRK, re: Plot No.159, Bernard Estate	74800-00	62626-00

30



1385.

91393

<u>DESCRIPTION</u>	<u>GROSS AMOUNT</u>	<u>Actual work completed in 1953</u>	<u>Exhibits</u>
3. District Council Nairobi re Offices	Shs. 1157904-43	190000-00	Exhibit 1 Bundle of Correspondence 24th December 1954 to 3rd May 1958 <u>(Continued)</u>

10 I would like to mention here that I built one house No. L.R. 209/45 situate at Grogan Road and immediately on its completion this was sold for Shs.193,000/- and the proceeds credited to the Sales account. The total erection charges including the materials were debited to the purchases in the year 1953. No more private plots been built by me since 1951.

Yours faithfully,

Sd: Rattan Singh

THE EAST AFRICAN INCOME TAX DEPARTMENT

P.O. Box 520,

NAIROBI.

14th April, 1955.

20 Mr. Rattan Singh,  
P.O. Box 1047,  
NAIROBI

Dear Sir,

I thank you for your letter of the 4th March, 1955, will you also please let me know what large contracts you have obtained since 1953. You mention only the house built in Grogan Road in 1953. What house did you build for yourself in 1951, please.

30 I see from your 1952 and 1953 Balance Sheets that you had no stock in hand, how is this dealt with, please.

Is any salary paid to yourself included in "Salaries and Wages" in your Profit and Loss Account.

Exhibits

Have you a private Bank Account, if so,  
at what Bank.

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

Yours faithfully,  
Sd. C. V. Rawlins.  
(Assessor).

P. O. Box 1047,  
NAIROBI.

6th June, 1955.

The Regional Commissioner,  
of Income Tax,  
P.O. Box 520,  
Nairobi

10

Dear Sir,

Re: Rattan Singh Income Tax File  
No. 22433

I wish to point out that your letter dated the  
14th April 1955 addressed to the above named was  
received by me. The addressee had left for India  
prior to the receipt of your letter mentioned above  
and there is no news as yet of his returning to  
the Colony.

20

In the circumstances I shall be obliged if  
you will keep this matter pending till the return  
of Mr. Rattan Singh from India. I assure you, sir  
that the matter will receive immediate attention  
as soon as Mr. Rattan Singh arrives here.

Yours faithfully,  
Sd: Gian Singh,  
for Rattan Singh.

Rattan Singh,  
P.O. Box 1047,  
NAIROBI.

23-12-55.

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

The Regional Commissioner,  
of Income Tax,  
P.O. Box 520,  
Nairobi.

Dear Sir,

10

Re: File No. 22453

I refer to your goodself letter dated 14th of April, 1955, and apologise for the delay in reply as I was away in India now I supply the required details as under.

20

<u>Name of Contract</u>	<u>Amount of Nett Contract</u>
	Shs.
1. East African Standard Flats	485,673-00
2. No house was built in 1951 please.	
3. Please note that the stock at site on 31.12.52 and 31.12.53 was entirely consumed. The total value of material was included in the work in progress account.	
4. I hereby confirm that my salary has not been included in "Salaries & Wages Account" in question.	
5. Yes I have got my personal account with Barclays Bank D.C. & O. Nairobi.	

I trust the above will meet your entire satisfaction.

30

Thank you.

Yours faithfully,

sd: Rattan Singh.

Exhibits

TO COMMISSIONER OF INCOME TAX

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

I hereby certify that I have made a complete disclosure to you of :

- (a) All banking accounts (whether current or deposit, business or private, in my own name or in that of my wife, or in any other name) in which I am or have been interested, or on which I have or have had power to operate, jointly or solely which are in existence now, or which have existed at any time during the period from 1st January, 1940 to 31st December, 1955. 10
- (b) All savings and loan accounts in regard to which I have or have had any interest or power to operate as in (a), during the period from 1st January, 1940 to 31st December, 1955.
- (c) All assets, not in (a) or (b) which I and my wife now possess, or have possessed during the period from 1st January, 1940 to 31st December, 1955 and 20
- (d) All sources of income, not in (a), (b) or (c) and the income derived therefrom and all facts bearing upon my liability to Income Tax and to other duties to which I am, or have been, liable.

Signature. Rattan Singh (Sd).

Address. P.O. Box 1047

Nairobi.

Date 14.12.56. 30

Witnessed by :-

Sd:

14.12.56



RATTAN SINGH.

Exhibits

Points arising out of preliminary examination of Accounts submitted by Accountants, Messrs. Thian & Bellman on 11th December, 1956

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

.....

1. Opening Capital at 1st January, 1948, is stated to Shs.186,206/25. The original accounts show Shs.128,891.52. How are these figures reconciled?
- 10 2. 31st December 1948. Gian Singh is shown as a Creditor for 1948 Rents less withdrawals. As the property was registered in his name in 1941, is he not a creditor for rents collected by Rattan Singh from 1941 to 31st December, 1947?
3. For all years, except 1952, the rents due for the year plus the previous undrawn balance do not agree with the Balance Sheet figures. This may be due to adjustments for debtors and a reconciliation is required.
- 20 4. Property Account has been debited with deposits in respect of plots at Grogan Road and 6th Avenue, Parklands, but has not been debited with the balance of the purchase price. Why?
5. Property Accounts has not been debited with estimated cost (Sh.90,000) of building sold in Grogan Road. What account has been taken of this expenditure in business records?
- 30 6. Property Account has been credited with the sale proceeds of Grogan Road property. Why has this been done when the Property Account has not been debited with the cost of the plot and the building?
7. On what grounds has the balance of the Property Account been written off by an asset which has never appeared in this account?
- 40 8. On what grounds is the sale of Grogan Road building and plot been regarded as a capital transaction in view of Rattan Singh's business of builder and contractor?

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

9. The accounts show that the Grogan Road building and plot were sold for Sh.190,000/- whereas the questions and answers attached to the report show Sh.193,000/-. How does this discrepancy arise and what is the true figure?
10. 31st December, 1948. Cash expenditure (report page 3) is stated to be estimated. On what basis have these estimates been computed and why are Travelling expenses shown as an exact amount? 10
11. Report page 3, debits to contracts purchases". Further evidence is required in respect of the debits listed, in particular those relating to S.M. SHAFFIE, who is stated to be an employee of Rattan Singh.
12. Wages all years. What basis has been adopted, payments or Muster Roll?
13. What items are included as Wages creditors each year?
14. Rents received for all years are based on the Schedule of Rents due marked 'B'. This schedule contains no rents from Plot 3132 Blenheim Road. 20
15. The Schedule of Rents due includes income from 6th Avenue, Parklands, for 1952 and 1953 but the building was not completed until 1954.
16. Drawings Account 1953 is debited with Shs. 30,000/- being  $\frac{3}{4}$  cost of building house at 6th Avenue, Parklands. Where has the final  $\frac{1}{4}$  cost of building been debited? 30
17. How have all cash expenses relating to repairs etc., of properties been dealt with?
18. If Rattan Singh effected these repairs himself, where have the adjustments been made in Drawings and Sales Accounts?
19. On what grounds has Sh.10,266/35 been written off Rents receivable in 1953?
20. Work-in-progress. 31.12.47. What evidence is there that cash received in January, 1948 relates to work actually done? The payments may be deposits for future work. 40

21. If Shs.91,207/65 actually relates to 1947 and not to 1948, a comparison of profit percentages to Sales for these two years appears to be good grounds for further investigation.
22. Who has supplied the estimates for Stock and Work in progress each year? The expression "as certified by the management" is not understood in the business of a sole trader.
- 10 23. What tests have been applied to the estimates of stock and Work-in-Progress valuations in confirmation of the veracity? A comparison of the high fluctuations in the results of each year indicates a wide margin of error in the estimates.
24. In the years 1951, 1952 and 1955 the asset "Cash" has been reduced by "Cash Overdrawn". On what grounds have known assets been reduced in this way? How can cash become overdrawn? Is there no reconciliation of cash for each year?
- 20 25. 31st December, 1953. Is there no unused stock on the site for the Moshi contract at this date?
26. 31st December, 1953. The Moshi trading account shows Work-in-Progress of Sh.40,000/-. No mention is made of this in the 1954 opening figures. How has Shs.40,000/- been dealt with in 1954?
- 30 27. No Work-in-Progress is shown at 31st December, 1952. Has this been verified?
28. 31st December, 1953. On what grounds has Rattan Singh, a sole proprietor, been credited Sh.7,000/- for Travelling Allowance to a site where he is building?
29. From where has Rattan Singh advanced money to the business in 1953 and 1954?
30. Moshi Contracts 1953/54. Apart from point No. 26 above, the profit on this contract is incredibly low. What checks have been made on the contract document itself and other documentary evidence relating to the contract?
- 40

Exhibits

Exhibit 1  
 Bundle of  
 Correspondence  
 24th December  
 1954 to 3rd  
 May 1958  
(Continued)

Exhibits  
Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

31. The stock valuation is shown at Sh.20,100/-  
for all years 31st December, 1948 to 1955.  
Has any physical stocktaking taken place for  
any year or at any time?

HFE/PW.

17th December, 1956.

The Regional Commissioner of Income Tax,  
NAIROBI

Dear Sir,

RATTAN SINGH - SPECIAL INVESTIGATION

10

We now enclose the Certificate you require,  
duly signed and witnessed.

As you will appreciate, the accounts cover  
the trading of Nagina Singh Contractors, and full  
details are given thereon of the remittances to  
India and in the Report we have noted any  
expenditure on buildings owned by Mr. Rattan Singh.

In view of the importance of the Certificate,  
and any possible aftermath that might arise thereon,  
we have taken it upon ourselves to interview Mr.  
Rattan Singh in the presence of his son Surjit and  
Shaffie, and asked him certain questions. These  
we enclose together with the replies and we would  
ask that this questionnaire be deemed part of the  
Certificate.

20

We need hardly add that our client is most  
willing to co-operate and if, after a careful  
scrutiny by you of the various documents, etc.,  
there are any points on which you wish further  
elucidation, we will endeavour to give you  
satisfactory replies.

30

We are,

Yours faithfully.

RATTAN SINGH

Exhibits

Questions asked by Colonel Bellman, 17/12/56.

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

1. Your father died intestate on 11.1.46.
- (a) Were you the sole beneficiary? Yes.
- (b) At that time you were living with him. Where?
- 10 (c) You inherited 200,497/50 in East Africa as per probate. Were there also assets in India.
- Yes, property worth about 80,000 Rupees and fixed deposit at Bank about 100,000Rs.
- (d) On 11/1/46 when you inherited this 200,497/50 you also, I believe, owned property in Salisbury Road, bought in 1941 for 16,000/- and in Swamp Road for 10,225/-, in 1942 and you had a Bank balance of £4,500. Had you any other assets at this date?
- 20 - Not in Kenya.
2. During the years 1946 to 1955 where did you live and what would be a fair annual figure for household expenses?
- 30 - I went to live in Grogan Road in 1951. I estimate my household expenses at about £600 per annum.
3. During the same ten years you educate four sons. Could you give a rough idea of the expenditure so incurred?
- 40 - Gian Singh -  
- £225 for 1946 to 1948. He then went

Exhibits

3. (Contd.)

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

to the U.K.  
and expenses  
were borne out  
of his rents.  
Bhajan Singh,  
£480, Surjit  
Singh, £480  
Inderjit Singh  
£360.

4. During the same ten years  
did you incur any abnormal  
expenditure due to

10

(a) Travel.

- Yes, I went to  
India with my  
family in 1949  
and 1951 and  
passage money  
was approximately  
10,000 Rs. I  
again went in  
1955 by air at  
a cost of  
£350.

20

(b) Purchase of furniture?  
(c) Purchase of jewellery?  
(d) Purchase of motor cars?  
(e) Estate duty?

- No.  
- No.  
- All in business.  
- 5,666-00

Perhaps you could think  
of anything over and  
above your normal house-  
hold expenses not  
covered by the question  
already asked and that  
of property which is my  
next question

30

- No.

5. Property

(a) Grogan Road, Consists,  
I believe, of 2 plots  
and the land cost  
26,000/- in 1947.  
You sold, I think,  
one plot together  
with buildings you  
had erected to  
Kashmira Lal for  
193,000/- in 1953

40

- Yes.

5. (Contd.)

Exhibits

The other plot you erected a house on where you now reside?

- Yes.

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

In the report I see reference to building costs of 60,000/-

Does this relate to the buildings on both plots?

- No, the 60,000/- is for the house in which I reside.

10

Can you give an approximate figure for

(I) Building you occupy

- 60,000/-

(II) Building sold to Kashmirilal?

- 90,000/-

(III) You also, I believe, bought property in 6th Avenue for 16,000/- and the cost of erecting buildings thereon was 40,000/- giving a rough value of 60,000/-.

20

Is that so?

- Yes.

(VI) You also own property bought in Mombasa in 1947 for 15,000/-.

Is this still undeveloped? - Yes.

30

6. Remittances to India as per Drawings A/C.

1949 Shs. 75,361-90  
1953 Shs. 30,200-00  
1954 Shs. 60,733-75  
1955 Shs. 98,494-05

264,789-70,

and according to the Imperial Bank of India you had on 1st

September 1955 fixed deposits, Rs. 142,539  
Current A/c 31,543

40

174,082

Plus half 87,041

- Shs. 261,123/-.

Exhibits

6. (Contd.)

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

Can I assume that this credit in India of Rs. 174,082 on 1955 represents your transfers to India during the ten years, plus a few rents, less a few drawings?

- No, not altogether as I inherited about 100,000 Rs. when my father died. 10

7. Arising out of this, did your father leave you property in India from which you have derived rents and has there been any change in such property between 1946 and now?

- See answers to question No. 1 (c) in addition I bought property in 1955 for about 97,000 Rs. 20

8. Has your wife got any income or property in her own right?

- No. 30

9. We now come to the overall picture over ten years which I make to be :-

On 11/1/46 you inherited	Shs.	
E.A. as per Estate Duty	200,497	
You had a Bank Balance of	90,000	
You owned property in your own right	26,225	
In India, Property approx. Value	120,000	40
Fixed deposit.	150,000	
Your Trading profit for ten years	506,850	(1946 & 1947 estd. at 25,000/-)
c/fd.	<u>1,093,572</u>	



9. (Contd.)

b/fd. 1,093,572

Exhibits

Sale of Grogan Road ( $\frac{1}{2}$ )  
to Lal Kashmiri

193,000

1,286,572

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

you now have :-

Capital in Nagina Singh (less  
61,000)

99,517

Property as at date of  
Father's death.

10

Sadler Street  
Imtiazali Street  
Blenheim Road.

75,000

20,000

80,000

Property owned before  
Father's death

Salisbury Road  
Swamp Road.

16,000

10,225

Property acquired since  
Father's death

20

1 Plot Grogan Rd. plus  
estd. cost of building  
6th Avenue (16,000)  
plus cost of building

73,000

56,000

Property in India

property as left by  
father approx.  
Property acquired 1955  
On deposit and in  
Current Account

120,000

261,123,956,365.

30

Your expenditure is assessed  
roughly at

Household Expenses, £500 p.a.  
School Fees.  
Travel to India.  
Estate Duty Paid.  
Income Tax, Gifts and various  
expenditure not of a household  
nature, say

120,000

30,900

22,000

5,700

40,000

1,174,965

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

This appears to leave a little  
over 100,000/- or, say, £500  
per annum of income not accounted  
for. Have you any suggestions?

- Answer: No, I  
do not consider  
this comparatively  
small sum has  
any relative  
bearing on the  
subject of  
Income Tax. I  
have in this  
statement read  
in conjunction  
with the duly  
Audited Balance  
Sheets & Report  
thereon given  
full details  
of my income  
and capital.

10

20

Signature of Bellman, Rattan Singh  
and Shaffie.

18th December, 1956.

The Regional Commissioner of Income Tax,  
NAIROBI

Dear Sir,

RATTAN SINGH (IB.471)

1. Since writing our letter of the 17th instant  
we have received the two copies of your Notes of  
the Interview held on 13th December, 1956, for which  
we thank you.

30

2. As regards 1940 to 1945, the only  
information we can obtain is that given in the  
3rd paragraph of our Report and we can only  
suggest that he is assessed say :-

Property acquired	26,225/-
Cash accumulated.	90,000/-
Living Expenses, say, £100 p.a.	12,000/-
	<u>128,225</u>
	21,370 p.a.

40

3. We consider that the ten years statement disclosing the Assets at 1/1/46 and 31/12/55 will give you the same answer as attempting to do it year by year, the latter being unsatisfactory owing to losses in some years.

4. We are obtaining the details of salaries paid to Bhagat and Surjit in order to deal with that point.

10 5. We will take an early opportunity to visit your office at a time convenient to you in order to extract from your records the declared Income from 1940 to 1953 and the Tax paid, then if you and you agree to accept the/when figures prepared by us we can get out a full statement year by year of the tax adjustments necessary.

We are,

Yours faithfully,

20 THIAN & BELLMAN  
Incorporated Accountant

501/4 Stanvac House,  
Queensway,  
Nairobi

15th February, 1957.

The Commissioner of Income Tax,  
Investigation Branch,  
NAIROBI

Dear Sir,

RE: RATTAN SINGH, I.B. 471

In reply to your letter dated 10th January, 1957, we set out below the answers to your queries as requested:-

30 1. (a) Opening Balance as per  
old accounts 128,891-52  
(b) Opening Balance at Banks  
omitted from  
previous accounts 2109-22  
9368-07  
11477-29  
Less adjustment 162-56 11,314-73  
(c) Fixed deposit omitted 46,000-00  
186,206-25

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

2. Gian Singh was a creditor for the period from the date of purchase of the Gulzaar Street property to 1947, but in the absence of any records we are unable to assist you in arriving at the relative figures of rents and withdrawals.

3. The reconciliation is as under:-

1.1. 48	To balance	4347-68	By	rents	37940-35	
31.12.48	" Rents due	38526-16		received		
	" Refunds		"	Balance	6064-85	10
	etc.	<u>1131-36</u>				
		<u>44005-20</u>			<u>44005-20</u>	
1.1. 49	To Balance	6064-85	By	Rents	39575-67	
21.12.49	" Refunds			received		
	etc.	88-00	"	Balance	6959-67	
	" Rents due	<u>40382-49</u>				
		<u>46535-34</u>			<u>46535-34</u>	
1.1. 50	To Balance	6959-67	By	Rents		
31.12.50	" Rents due	44684-04		received	44256-51	
	" Refunds		"	Balance	11638-20	20
	etc.	<u>4251-00</u>				
		<u>55894-71</u>			<u>55894-71</u>	
1.1. 51	To Balance	11638-20	By	Rents	48887-84	
31.12.51	" Rents due	46674-54		received		
	" Refunds	88-00	"	Balance	9512-90	
		<u>58400-74</u>			<u>58400-74</u>	
1.1. 52	To balance	9512-90	By	Rents	47773-87	
31.12.52	" Rents due	50061-87		received		
	" Refunds		"	Balance	12100-90	30
	etc.	<u>300-00</u>				
		<u>59874-77</u>			<u>59874-77</u>	
1.1. 53	To Balance	12100-90	By	Rents	49685-70	
31.12.53	" Rents due	56375-75		received		
	" Refunds		"	Written		
	etc.	280-50		Off	10266-35	
		<u>68757-15</u>	"	Balance	8807-10	
					<u>68757-15</u>	

4. Property Account has only been debited with items reflected in the Cash Books. The purchase price is reflected under Schedule 'A' attached to our report.

5. According to our information the estimated cost of Grogan Road property was 60,000/- (see your note of interview 18th April, 1956, page 3). The cost of building and the relative credit to contract account is referred to in our report to you dated 15th November, 1956, (see page 2). The entry passed through the Journal was as follows:-

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

10           Dr. R. Singh                   60,000/-  
              Cr. Contract Account                               60,000/-

The contract account is, of course, a revenue account.

6. Property account reflected only receipts and payments revealed in the Cash Book, and adjustments, such as under paragraph 5, were passed through Rattan Singh's capital Account.

7. Same reason as in 6.

20           8. Same as 6. The house in Grogan Road was built, we were informed, for himself and not as a speculation, consequently we have treated these transactions as capital and not revenue ones.

9. We now understand that the selling price was 193,000/- and not 190,000/-.

10. See report, page 3, paragraph 4.

11. We are unable to obtain further evidence as requested.

12. See report, page 4.

30           13. Wages outstanding each year as creditors appears on the Schedule of Creditors attached to the relative Balance Sheets.

14. This is a typing mistake. Plot 2132 should be inserted below Kamrudin.

15. We are advised that the rent figures are correct and consequently the buildings must have been completed sometime in 1952.

16. On the assumption that the building was  $\frac{3}{4}$  completed in 1953, we credited contract account with 30,000/- for that year. The balance of 10,000/- should be

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

- adjusted in the computation for 1954.  
However, in view of paragraph 15 it would not  
appear that the adjustment is between 1952 and  
1953.
17. No repairs have been debited.
18. We suggest that a reasonable amount be taken  
into consideration such as £100 per annum.
19. See report.
20. We understand that payments for future work  
are not customary. 10
21. Taxpayer does not agree.
22. Mr. Shaffie supplied the information. The  
expression "as certified by the management" is  
customary even in the business of a sole trader,  
particularly if the business is substantial.
23. None.
24. See cash Books in your possession.
25. Unknown.
26. See our letter dated 14th January, 1957.
27. As stated by Mr. Shaffie. 20
- 28 & 29. See our letter dated 14th January, 1957.
30. None.
31. No.

We regret we cannot be of more assistance  
in furnishing additional information, but in the  
absence of proper books and records our task  
is perforce limited to the information given to us.

We are,

Yours faithfully,

THIAN & BELLMAN.

30

30th April, 1958.

Exhibits

Special Investigation Branch,  
Income Tax Department,  
NAIROBI

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

FOR THE ATTENTION OF MR. EASTERBROOK

Dear Sir,

re: RATTAN SINGH (Trading as MAGINA SINGH  
CONTRACTORS) 1954 Accounts

10 With reference to our discussion on 25th  
April, 1958, I have now consulted my Clients and  
they are adamant that they will not accept your  
proposals regarding the treatment of R. S. Drawings,  
G. S. Rents and your figure of £4,000 Profit for  
Nairobi and with this I am in full agreement.

20 Basically I think I am correct in assuming that  
for the period prior to 1954 Books, Records and  
information were scanty and the results produced  
were to a large extent guesswork and consequently  
certain figures can only be deemed "suspect", and  
final agreement was only reached rather on a give  
and take basis. From 1954 onwards the position is  
totally different in that proper books have been  
kept by Surgit and audited by me and I am assured  
that no information has been suppressed. It would,  
I feel, be most unfair to take into consideration  
any possible misdemeanours that might have occurred  
earlier; my Client will clearly have to pay a  
heavy penalty for these, but from 1954 they have  
30 employed a European firm of Accountants and the cost  
involved is considerable and now you are proposing  
to ignore the figures and arbitrarily assess a  
Profit of £4,000 primarily based on prior hypothetic  
previous results, having no regard to the fact that  
the accounts show a loss of nearly £4,000.

I trust we can avoid what can only cause  
further delay in settlement if you insist on acting  
on your proposals as I can assure you an appeal  
will be filed.

On the four major points at issue :-

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

R.S. Drawings are fully set out, the only addition I suggest is a small estimate of say £70 a year for personal use of electric light and water which have been included as a business expense and perhaps £100 a year for private use of cars. Your suggestion of £1,200 is not acceptable.

G.S.'s Rents. This son became 21 in 1952 and is, I understand requesting his father to pay over the Rents as from that date, my client therefore does not agree that this income should be deemed as Rattan Singh's. 10

Nairobi "Profit" £4,000 as previously stated, this is most emphatically disputed. If you have grounds to consider that any figures in the accounts submitted require more investigation, either Surjit or myself will endeavour to supply such further details as you require.

Moshi "Profit" £2,100 as the Moshi figures were not supplied by Surjit, he is prepared to meet you to a limited extent over any assessment you might make. 20

The information you asked for on the minor points is given below:-

R.S. Drawings 50/50      Sale of two sons bicycles.  
                  966/25      These credits appear in the  
                                  Bank of Baroda and no details  
                                  as to paying in: they were  
                                  therefore credited to  
                                  R.S. 30

Payment to Jadavji 6600/-. It is now agreed that this is R.S's. drawing and not Goods - cheque endorsed SONI JAMNADAS JADAVJI.

Moshi Advances 264,000/-      Feb. 2nd      Cash      1900-00  
  Feb.17th      "      1500-00  
  Feb.17th      "      1000-00  
  May 31st      "      4000-00  
  Dec.31st  
  Travelling      18000-00



Moshi W.I.P. 40000/-  
and Moshi N.B.I. Contract } The full details are  
set out for 1953 to 1957  
in annexure.

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

Water charges 9513/- and 2056/- my client agrees  
that these possibly relate to Contracts and that  
they should be deemed business and not property  
expenses.

I am,

Yours faithfully,

3rd May, 1958.

10

The Commissioner of Income Tax,  
Investigation Branch,  
Head Office,  
NAIROBI

Dear Sir,

re: RATTAN SINGH I. B. 471

20

With further reference to the above case, we  
wish to advise you that Mr. Rattan Singh has now  
agreed to most of the items set out in the schedules  
attached to your letter, undated, received by me  
on the 17th April, 1958, with the exception of the  
following items, and subject to the observations  
made by me later in this report.

1. Assets not accounted for:

The following items have been included as  
income but which appear to have been received  
as an inheritance from Nagina Singh, the Father  
of Rattan Singh :-

30

1940	77,255-36
1941	77,255-36
1942	77,255-36
1943	77,255-36
1944	77,255-36
1945	77,255-37

---

463,532-17

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Exhibits

2. Work in Progress Adjustment.

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

When discussing this adjustment with Mr. Easterbrook the point at issue which appeared to be raised was as to how the work in progress should be brought into the 1947 and 1948 accounts. It seems that certain items were eliminated from 1948, i.e. totalling Shs. 91,207-65, which were received in 1948, but were in fact in respect of work done in 1947, and which should have been adjusted in the 1948 accounts, and the profits reduced accordingly. The adjustment made in 1947, under normal circumstances, would have been to have included the work-in-progress as an asset, but since the profit in 1947 was "estimated" the treatment applied in this instance would not appear to follow the normal procedure, but should take an estimate of the "profit" on the work-in-progress and this figure should be added to the Shs. 33,972-35 shown in your schedule.

10

20

The profit therefore for 1947 would appear to be made up as follows:-

Estimated profit per schedule	33,972-35
Plus 10% of 91,207-65.	<u>9,120-76</u>
	<u>43,093-11</u>

This would adjust your present figure by Shs. 82,086-89.

3. African wages Estimate.

Whilst it is correct that no records or vouchers have been produced in support of the expenditure under this head arising from an allocation of cash collected in 1948, and that the position in regard to the maintenance of proper muster rolls could not be regarded as satisfactory, it is felt that consideration, even at this stage, should be given to the fact that wages must have been paid from this source, and that the taxpayer be given the benefit of the doubt.

30

40

It is felt equally that hardship would result should this item of Shs.10,000/- be treated entirely as personal drawings.

4. Stock adjustment.

Exhibits

10 You will recollect that my client has continually denied the possibility that his stock on hand ever reached the figure of Shs. 75,000/- in any one year, and although he had not been able to produce any stock sheets as supporting evidence he still maintains, emphatically, that this estimate is high. My attention was also drawn to the fact that for a number of years presumably 1948-1951, a system of permits was in force in the Colony, whereby the ability for contractors to accumulate stocks, was reduced to a minimum. In finally assessing the position, it would appear that in general contractors do not favour the accumulation of stocks, but prefer to utilise such facilities as they have in employing their capital in full, by using up as much materials as possible in each and every contract carried out.

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

20 Under these circumstances it is felt that undue hardship has been applied, and that consideration be given to reducing this stock by one half, i.e. £1,375.

5. Legal Expenses.

30 Attached hereto is an account from the Advocates D.W. & R.N. Khanna, from which it can be seen that the legal expenses are not all those relating to Capital. The items of Capital would appear to be mainly those appearing on pages 6 and 7.

The adjustment would therefore appear to be as follows:-

Legal Expenses added back	36,506-74
Less Capital charge	<u>7,500-00</u>
	<u>29,116-74</u>

6. Cash Overdrawn

40 In both the years of 1951 and 1952, my client insists that the amounts overdrawn came from his own pocket, and that consideration should be given to the fact that his business inevitably became confused with his personal affairs.

Exhibits

6. (Continued)

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

This view is substantiated in the two reports submitted by me, ample evidence of which is available therein.

The adjustment is therefore claimed for Shs. 9,738-45.

7. Cash Lodged in Indian Bank Account

On checking through the accounts again, I find that this item of Shs.30,000/- has not been eliminated although I was given to understand by Mr. Easterbrook, when I took our original letter to him written in Urdu, that no account had been taken of this sum. I enclose the original letter in support of my client's contention that this amount was held in trust in accordance with paragraph 3(c) of my report dated 7th October, 1957.

10

This adjustment would then be Shs.30,000/-.

8. Summary.

It is requested that due consideration be given to the above items which are summarised below :-

20

1.	463,532-17
2.	43,103-11
3.	10,000-00
4.	26,500-00
5.	29,006-74
6.	9,738-45
7.	30,000-00

---

611,880-47

---

30

Say £30,594.

The reduction of taxable income would then be as follows:-

Amount reflected in your schedule	£ 98,494.
Less items (8) above	£ 30,594.
	<hr/>
	£ 67,900
	<hr/>

9. Conclusion.

Exhibits

Whilst I am unable to disagree with the final figures arrived at by Mr. Easterbrook, with the exception of the above, in accordance with our discussion on the 10th April, 1958, I have approached the matter from another view point, and have endeavoured to substantiate the figure of £98,494 as income which might have accrued or been spent by the taxpayer over the period under review. This attempt, although by no means one that can be claimed as accurate, has indicated to me that the conclusion arrived at by Mr. Easterbrook and based upon the knowledge and information gained, is sound enough in all his approaches, but the result may be an unfair tax imposed upon the taxpayer. The reason for this is that there are many items which remain in doubt, and it is upon these that a request is made to finally endeavour to fix a taxable income which gives you no more or less than the tax due, without imposing a hardship upon the taxpayer or reducing his position to that beyond his capacity to pay.

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

Upon questioning the taxpayer, it would appear that his position at the 31st December, 1953 was approximately as follows (assets and living expenses purchased and spent from his own resources) :-

30	1. Property, Swamp Road.	10,225	
	2. Property, 6th Avenue, Parklands.	61,500	
	3. Property, Salisbury Road	16,000	
	4. Property, Gulzaar Street	17,000	
	5. Mombasa Plot	10,000	
	6. Property Grogan Road	96,000	
	7. Fixed deposits and cash in India	230,000	
	8. Banks, Nairobi	44,615	
	9. Deposits on Contracts	9,200	
40	10. Debtors	250,334	
	11. Stock on hand (your figure)	75,000	
	12. Work in progress	120,000	
	13. Motor Vehicles	41,300	
	14. Plant and Machinery	13,700	
	15. Jewellery	10,000	
	16. Household goods	2,000	
	17. Living expenses 8 years	192,000	
		<u>1,199,973</u>	c/fwd...

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

b/fwd... 1,199,973  
Less Creditors 162,524  

---

1,037,449

There appears to be shortfall between the assets accumulated and living expenses and taxable income by some £16,028 and whilst it is not possible to reconcile these two figures, it is clear that a discrepancy does exist.

Under the circumstances, I am instructed by my client Mr. Rattan Singh to endeavour to settle the figure with you on the basis of £55,000 taxable income as a fair assessment of his position, and as an indication of his willingness to finally dispose of this matter, and which is giving him considerable anxiety.

10

I am,

Yours faithfully

Sd: P.C. THIAN.

Agreed to the above  
Sd: Rattan Singh

20

The Commissioner of Income Tax  
Nairobi

Dear Sir,

Assessment	1946	B	90011	28,692-00
"	1947	B	90012	143,697-00
"	1948	B	90013	86,299-00
"	1949	B	90014	125,156-00
"	1950	B	90015	140,882-00
"	1951	B	90016	90,701-00
"	1952	B	90017	409,918-00
"	1953	B	90018	274,655-00

---

30

The time for appeal against the above is now nearly up and my Accountants appear to have lost all interest in the case and I feel I must take the matter into my own hands.

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

10 2. I therefore submit this my appeal against your Demand for £65,000 on the grounds firstly that the figures issued are far too much of a guesswork and bear little or no relation to facts secondly that the sum claimed is far in excess of anything I can pay.

20 3. Let me at the outset say that I realise I have been negligent and do not dispute your right to assess me even to the extent of penalising me for incorrect or late returns but as a simple man where figures are concerned let me put the case as I see it. At the outset I was virtually penniless and dependant on my father, as at 31st December, 1953, my whole capital whether in India or East Africa has been agreed by you at £61,645, when my father died in 1946 my inheritance was £37,668. It can thus be said that during the years in question I have accumulated by my own efforts some £23,977 to this must be added my living expenses, these have been most frugal and an average of £500 per annum would more than cover them, but I want to arrive at a fair surplus figure and this with my limited knowledge to allocate this year by year and it would thus seem reasonable to assess each at 1/8 of the total of 30 i.e. 27,977 per annum and after giving me my entitled allowances raise an assessment for each year plus penalties, at the ruling rate of Income Tax.

40 I make no idle threat when I say I cannot pay anything like your demand for £65,000. I will if necessary allow it to go to the Local Committee and Courts for decision and it is my considered opinion that you would have extreme difficulty in substantiating your figure whilst nothing can alter the position as outlined in the previous paragraph.

Exhibits

Exhibit 1  
Bundle of  
Correspondence  
24th December  
1954 to 3rd  
May 1958  
(Continued)

On the grounds of my inability to pay, even including my property in India I only possessed £61,645 at 31st December, 1953 and on 1st September, 1954, I entered into a Partnership Agreement with my three sons which accounted for some £20,000 of this figure and since then trading conditions and fall in property values have adversely affected my position and if realised everything I possessed in East Africa now I doubt if it would bring £25,000. If therefore you persist in your demand for £65,000 and this is upheld by Local Committee and Courts I shall have no alternative but to file my petition for Bankruptcy and so far as I know Income Tax arrears are not preferential but will rank for dividend in the same category as my Trade Creditors and in the present depressed state of the market if the Income Tax Authorities got £10,000 they would in my opinion be fortunate.

10

20

I still feel that it should be possible to arrive at some reasonable figure and possibly/if you can appreciate/and possibly how I view the position you would work out the figure reached if the principle suggested in the last sentence of paragraph 3 were adopted and with this as a guide perhaps we would arrive at a compromise.

Yours faithfully,



Exhibit 2(a)

Report and Accounts of  
Messrs. Thian & Bellman

7th October, 1957

The Commissioner of Income Tax,  
Investigation Branch,  
Head Office.  
NAIROBI.

Exhibits

Exhibit 2(a)

Report and  
Accounts of  
Messrs. Thian  
& Bellman  
7th October  
1957

Dear Sir,

RE: RATTAN SINGH - I.B. 471

INTRODUCTION. 1. Further to our report dated 15th November, 1956, and in accordance with our client's request, we have made a closer investigation into the affairs of the above for the period 1940 to 1953 and have to report as follows:-

1940

SALARY. 2. According to a journal included with the books of account an item appears regularly as under:-

20	Dr. Office Expenses	900/-	
	Rattan Singh		900/-

Being salary, etc.

30 From this entry we have gathered from our client that although he was credited with the above amount each month he did not actually draw against it. In accordance with paragraph 2. of our previous report it was stated that our client was not given a salary, but was provided with food, clothes and a room. Unfortunately, there are no books or records available to substantiate this and accordingly we are inclined to take the view that the above entry is the measure of our client's work as estimated by his father and that he could reasonably be assessed at Shs. 10,800/- as his total income for 1940.

40 At this time our client had three children, namely, Gian Singh, born in 1951, Rhajan Singh, born in 1934 and Surjit Singh, born in 1937. The fact that he supported a wife and three children at this time either directly or indirectly through

Exhibits

Exhibit 2(a)

through his father, Nagina Singh, is a further indication that the item of Shs. 10,800/- represents a reasonable figure.

Report and  
Accounts of  
Messrs. Thian  
& Bellman  
7th October  
1957  
(Continued)

CAPITAL 3. We understand that at the outset our client had no available capital or assets and accordingly his position would appear as follows :-

	<u>CAPITAL 1940</u>		<u>Chargeable Income 1940</u>	
Salary	10800/-	Salary	£540	
Living Expenses	10800/-	Allowances:		
		Marriage	£350	10
		Children	£160	
	-----		<u>£510</u>	
	Nil	Chargeable income	£ 30	
			-----	

RECORDS 4. On March 14th a banking account was opened with Barclays Bank in the name of our client. We are advised that the account was utilised entirely on behalf of the father and the firm, and that the purpose of it was twofold, (a) to enable the son to pay accounts in the absence of his father and (b), to train our client to operate an account with the bank and to take the responsibility thereof as part of his business experience. 20

From information we have managed to obtain from a rough cash book kept by Nagina Singh, and through our client, an approximate analysis of the receipts and payments on the account would appear to support this view. We wish to point out, however, that the entries are not substantiated by vouchers but are taken mainly from figures which are integrated from others forming what appears to be a summary of receipts and payments made on behalf of the business. 30

We have written up a rough cash book reflecting such items as ascertained above, but a certain number of receipts and payments cannot be traced and accordingly we have had to accept the explanation given to us by either our client or his son, Surjit Singh.

Receipts and Payments on behalf of Nagina Singh  
Barclays Bank Account in the name of  
Rattan Singh

Exhibits  
 Exhibit 2(a)

RECEIPTS

PAYMENTS

Report and  
 Accounts of  
 Messrs. Thian  
 & Bellman  
 7th October  
 1957  
(Continued)

10	Rents received            4719/20 Nagina Singh            61805/39  <hr/> 66524/59	Plant & Machinery (Vibrator Machine) 1528/15 Christmas Presents    300/- Bank Charges            12/- Contract Expenses 12115/49 Wages                    2988/57 Transport                247/50 Balance on Hand        49332/88  <hr/> 66524/59
----	---	--

As stated earlier the above account appeared to have been operated by our client on behalf of his father, and accordingly we are excluding these transactions from an assessment of our client's income for the year.

20 SALARY 5. The income from this source appears to be the same as for 1940 and the remarks contained under paragraph 2. would apply.

30 PROPERTIES & RENT. 6. In this year our client acquired the property known as "Salisbury Lane", Plot 74B of 422 A XII. This was given to him by his father at this time and according to our report of the 15th November, 1956, was given to him in respect of services rendered. If this was the case it would appear that the purchase price of Sh. 16,000/- becomes assessable in the hands of our client and would have to be returned as income, in addition to free board and lodging given to him and his family by his father.

From information we have been given the rent of Sh 225/- accrued from 1st February, 1941, and accordingly should be returned as income. On the other hand, we are of the opinion that an estimated amount should be allowed by way of repairs and maintenance and we suggest the figure of Shs.500/- for the period.

Exhibits

CAPITAL 1941.7.

Exhibit 2(a)  
Report and  
Accounts of  
Messrs. Thian  
& Bellman  
7th October  
1957  
(Continued)

Opening Balance	Nil
Property - Salisbury Lane	16000-00
Salary credited.	10800-00
Rents on property for 11 months.	<u>2475-00</u>
	29275-00
Less Estimated house repairs	500-00

Estimated living expenses	<u>10000-00</u>	10500-00	10
		<u>18775/-</u>	

Made up of:-

Property	16000-00	
Cash	<u>2775-00</u>	<u>18775-00</u>

There is of course, no evidence that the cash was on hand at 31st December, 1941, and in all probability our client, in effect, merely lived off his father, worked for him, and handed all the rents over to him. In fact, according to the analysis of the 1941 cash book the rents paid in exceeded the above figure of Sh 2475/- of which it may have been a part, but nevertheless, it would appear that our client was the beneficial owner of the property and would therefore be liable to account for the rents. 20

CHARGEABLE INCOME 1941. 8.

Salary		£540	
Salisbury Road Property (for services rendered)		800	30
Rentals, 11 months received or accrued		<u>123</u>	
		1465	
<u>Less</u> Repairs	25-00-00		
Marriage Allowance	350-00-00		
Children	<u>160-00-00</u>	535	
<u>Chargeable income 1941</u>		<u>£928</u>	

RECORDS. 9. At this time our client still appeared to operate the only banking account in his name and the remarks contained under paragraph 4. of this report also apply. 40

A rough analysis of the receipts and payments for the year would appear to yield the following result :-

Exhibits

Exhibit 2(a)

Receipts & Payments on behalf of Nagina Singh  
Barclays Bank Account in the name of Rattan  
Singh - 1942

Report and  
Accounts of  
Messrs. Thian  
& Bellman  
7th October  
1957  
(Continued)

	Balance	49332-88	Bank charges	56-70
	Rentals received	6549-50	Contracts - paid out	
	Paid in by		on behalf of Nagina	
10	Nagina Singh	94300-00	Singh	42922-86
	Contract	42-00	Wages	18975-65
			Transport	3020-65
			Remitted to India	
			on behalf Nagina	
			Singh	52932-65
			Cash drawn by	
			Nagina Singh	14000-00
			Sundries	2098-94
			Balance	15406-95
20		<u>150224-38</u>		<u>150224-38</u>

The item of Sundries above is made up as follows:-

	Service Line, A/c Gian Singh	75-00
	Milk, Nagina Singh	55-00
	Telephone	100-00
	Insurance Premium, Nagina Singh	484-03
	Drawings - Rattan Singh	150-00
	Site Taxes, Nagina Singh	252-66
	Rattan Singh	265-25
30	Nagina Singh	394-50
	Water & Light	597-50
	Licences	535-00
		<u>2908-94</u>

Here again, we have taken the view that our client was acting as his father's agent for the year of income 1942 in respect of this account.

40 SALARY. 10. We have no reason to believe that for this year the position regarding our client's salary was unchanged; in fact, under 1942 we have seen journal entries reflecting the amount of Shs.900/- per month as his salary and presumable duly credited to his account.

Exhibits  
 Exhibit 2(a)  
 Report and  
 Accounts of  
 Messrs. Thian  
 & Bellman  
 7th October  
 1957  
(Continued)

PROPERTIES AND RENTS.11. In this year 1942, our client's father gave his son a further property known as "Swamp Road" Plot L.R.209/1963/3 in respect of services rendered. (See paragraph 2 of our report dated 15th November, 1956). The price to us the rental for Swamp Road was Sh 425/- per month.

CAPITAL 1943. 12

	Cash	Property	
Balance brought forward	2775-00	15000-00	
Salary Credited	10800-00		10
Property (Swamp Road) given by father for services rendered.		10225-00	
Rent received from properties	6405-00		
	<u>19980-00</u>	<u>26225-00</u>	
Less:			
House repairs estimated at			
Living expenses 900/- estimated at	10000/-	10900-00	20
		<u>9080-00</u>	
		<u>26225-00</u>	

Again, we are unable to verify whether, in fact, the cash in hand was in hand, spent, or in safe keeping with his father, since we have not inspected any books or records which would indicate how our client has accounted for his income.

CHARGEABLE INCOME 1942.13.

	£	
Salary credited through books.	540-00	
Rents accrued or received.	320-00	
<u>Salisbury Lane</u> 12 months @ 215/- per month	2580-00	30
<u>Swamp Road</u> 9 months @ 425/- p.m.	<u>3825-00</u> <u>6405-00</u>	
Property given by father for services rendered (Swamp Road, Plot L.R. 209/163/3)	511	
<u>Contract</u>	<u>2</u>	
	<u>1373</u>	
Less: Estimated repairs to property	£45	40
Marriage Allowance	350	
Children	<u>200</u>	
	£ <u>778</u>	

RECORDS, 14. The two years of 1943 and 1944 appear to be similar and accordingly we shall deal with these years at one and the same time.

Exhibits

Exhibit 2(a)

A summary of the banking accounts reveals the following.

Report and Accounts of Messrs. Thian & Bellman  
7th October 1957

Receipts and Payment on behalf of Nagina Singh Barclays Bank Account in the name of Rattan Singh

(Continued)

	1943	1944	<u>PAYMENT</u>	1943	1944
10 RECEIPTS					
Balance	15406-95	27399-00	Bank charges	97-90	51-00
Rents	1700-50	1206-40	Contracts	120166-23	20704-65
Nagina			Wages	36635-80	14741-45
Singh	201000-00	25000-00	Transport	19079-23	6084-93
			Sundries	14729-29	6064-65
			Balance	27399-00	5959-11
	<u>218107-45</u>	<u>53605-40</u>		<u>218107-45</u>	<u>53805-40</u>

20 The above transactions have not been included with the returns of our client and we presume that since the father, Nagina Singh, submitted regular returns, that the resultant profit or loss would have taken these figures into account. We are, of course, not concerned with Nagina Singh, and it does not appear to us that our client received any advantage or benefit or income from these transactions since they appear to be mainly payments in respect of contracts. On the other hand, there are, again, no records to substantiate the cash items such as wages, or for that matter, any of the entries made, and we can therefore only indicate as a guide 30 what would appear to have been the transactions on this account at that time.

RENTS & SALARY, 15. It would appear that both years could be based upon the following figures and subject to the remarks contained previously in this report.

Salary, accrued	£540
Rents from properties	<u>£384</u>
	<u>£924</u>

Exhibits

CHARGEABLE INCOME 1943 & 1944, 16

Exhibit 2(a)  
Report and  
Accounts of  
Messrs. Thian  
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7th October  
1957  
(Continued)

Salary accrued	£540
Property Rents	384
Salisbury Road	
12 months @ 215/-	2580/-
Swamp Road	
12 months @ 425/-	5100/-
	<u>7680/-</u>
	924

<u>Less</u> Estimated repairs	£45	
to property		10
Marriage Allowance	350	
Children	200	595
Chargeable Income (each		
Year)		<u>£ 329</u>

CAPITAL, 17.

	<u>1943</u>		<u>1944</u>		
	<u>Cash</u>	<u>Property</u>	<u>Cash</u>	<u>Property</u>	
Balance brought forward	9080-00	26225-00	16660-00	26225-00	20
Salary	10800-00		10800-00		
Property and Rentals	7680-00		7680-00		
	<u>27560-00</u>	<u>26225-00</u>	<u>35140-00</u>	<u>26225-00</u>	
Less:					
Repairs	900-00	900-00			
Living	10000-00	10000-00	10000-00		
	<u>16660-00</u>	<u>26225/-</u>	<u>24240-00</u>	<u>26225/-</u>	

The balance reflected as "Cash" has not been verified by us.

30

RECORDS, 18. During this year we were unable even to ascertain some of the payments in the Banking Account operated by our client on behalf of his father. From the receipts, however, it would appear that certain contract payments made out by Nagina Singh were endorsed over to this account. This is made up as follows:-

Balance	5959-11	Disbursements	32339-67
Rents	500-00	Balance	90003-86
Nagina Singh	115884-42		
	<u>122343-53</u>		<u>122343-53</u>

40



As in previous years, we have regarded this account as one operated only by our client on behalf of his father and that no transactions arising therefrom are assessable in the hands of our client.

CHARGEABLE INCOME 1945, 19. We suggest that the chargeable income for 1945 is identical with those of 1943 and 1944, namely, £329, in accordance with paragraph 16 of this report.

Exhibits

Exhibit 2(a)

Report and  
Accounts of  
Messrs. Thian  
& Bellman  
7th October  
1957  
(Continued)

10	<u>CAPITAL 1945, 20</u>	<u>Cash</u>	<u>Property</u>
	Balance forward from 1944	24240-00	26225-00
	Salary	10800-00	
	Property Rentals	7680-00	
		<u>42720-00</u>	
	Less:		
	Repairs                   900-00		
	Living <u>10000-00</u>	10900-00	
		<u>31820-00</u>	<u>26225-00</u>

20       The Balance of 31820/- shown as Cash, has not been verified by us. It is clear, however, that provided the estimates of earnings and living expenses are concerned this amount would appear to have been in the possession of our client in one form or another or owed to him by his father.

1946

30       RECORDS, 21. On 11th January, 1946, our client's father dies. Consequently from 1946 onwards we have endeavoured to treat the business as belonging to our client since in fact he eventually inherited it together with certain assets falling outside the scope of the business itself.

During this year the only banking accounts which appeared to have been operated were:-

(1) Barclays Bank, Queensway, in the name of Rattan Singh,

and

(2) Barclays Bank, Queensway, in the name of Estate of Mistry Nagina Singh s/o Mira Singh.

Exhibits

Exhibit 2(a)  
Report and  
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(Continued)

Banking Account No. 1 was the continuation of the account which our client was operating prior to his father's death and on his behalf, whilst Account No. 2 was opened on 18th October, 1946, with a credit of Sh. 26,738/23. We have not been able to ascertain the origin of this amount and whether our client recollected in what manner the deposit was made up. We have enquired from the bank and their reply states, inter alia.

10

"We advise that we have checked our ledger and find that there were no particulars given against the credit of Sh.26,736/23 on the 18th October, 1946. We mention that this deposit was the opening entry in the account. "

Neither of course, is there a contract entry from No. 1 account and accordingly we have presumed that the amount represents a payment or part payment from a contract, and we have treated it accordingly.

20

Without any means of ascertaining the trading position of our client for the year 1946, at which time he took over the running of the business of Nagina Singh Contractors, we have endeavoured to arrive at a reasonable conclusion regarding the likely profit made at that time, bearing in mind that in general the contracting business was enjoying a fairly healthy trade in the colony. In order to do so, we have extracted all the payments into the various banking accounts, eliminating any extraneous items as we were able, including rents. From the resultant figures it would appear to us that a reasonable net profit on such turnover could be calculated and assessed at 10%

30

Schedule "A" is attached to this report reflecting the following position:-

	1946
Amount deposited to Barclays Bank, Queensway, in the name of Rattan Singh	116,813-28
Amounts deposited to Barclays Bank, Queensway, in the name of Eastate Mistry Nagina Singh s/o Hira Singh	34,740-40
	<u>151,553-68</u>

40

10% Sh. 15,155/36.

An item appears in the deposit book in respect of our client's account with Barclays Bank dated 12th March, 1946, of Sh. 30,000/-, which was paid in in cash. No Signature appears under the deposit but we understand that the writing was that of our client.

We have not included this amount in our calculation arriving at the net profit for the following reasons:-

- 10 (a) Our client has informed us that this amount was in respect of a loan given to him by Messrs. Shukla Bros., and that it was returned to them at some later date. Our client informs us that one of the heads of Shukla Bros. was a great friend of his and that he could and did obtain assistance from him from time to time.
- 20 (b) Since we were not satisfied with this explanation we wrote to Messrs. Shukla Bros., on 4th June, 1957 requesting them to confirm the statement made by our client to the effect that the loan was made to Rattan Singh, in cash, on the 12th March. Their reply was as follows:-
- 30 "With thanks we acknowledge your letter dated 4th June, 1957. With reference to the request in your letter we beg to inform you that in our books there is not any entry of Sh 30,000/- given to Mr. Rattan Singh."
- (c) On further investigation, however, we came across an item of Sh.30,000/- reflected as a payment through the National Bank of India Ltd., on 30th December, 1947, and upon writing to the Bank they have informed us that this payment was made to Messrs. Shukla.

40 With this information and according to the explanation given to us by our client we have therefore treated this item as a loan.

INCOME 1946, 20. Since, in this year, our client took over the business we have calculated his income in accordance with the previous paragraph and excluded his earnings by way of salary.

Exhibits

Exhibit 2(a).

Report and  
Accounts of  
Messrs. Thian  
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(Continued)

Exhibits

Exhibit 2(a)

Report and  
Accounts of  
Messrs. Thian  
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7th October  
1957  
(Continued)

In addition, we have included all rents received or accrued as belonging to our client in view of the fact that these properties were subsequently inherited by him but excluding rents due to Gian Singh.

			£	
	Estimated profit on contracts based on 10% of turnover.		757	
	Total rentals based on 1948	38526/-		
	<u>Less</u>			
	due to Gian Singh	11726/-		10
		26800/-	1340	
			2097	
	Interest on Post Office Savings Account.	14780	£	
			1	
			2098	
	<u>Less:</u> Estimated repairs to property	£100		
	Estimated Power, Water & Light			
	1948	4859-84		20
	1949	4097-70		
	1950	4905-30		
		<u>13862-84</u>		
	Average	4554/-		
	<u>Loss:</u> Estimated for private use,	720/-	£191	
			291	
	Marriage Allowance	350		
	Children	200-		
	Education, 3 Children excluding Gian Singh	135		30
	Dependent	60	1036	
	Chargeable Income 1946		<u>£1062</u>	

CAPITAL 1946, 21. On the 11th January, 1946, on the death of our client's father, we have noted that all assets and liabilities were taken over by our client, and, in accordance with the Estate Duty Account filed the position would appear to be as follows, incorporating the details contained under Schedule 'B' :-

STATEMENT OF AFFAIRS OF RATTAN SINGH AFTER  
INHERITANCE AND AS AT 11th JANUARY 1946

Exhibits

Exhibit 2(a)

Capital Account

Balance brought forward	58045/-	Cash on Hand and and at Banks	433301-26
Add: Net assets acquired by in- heritance, as per Schedule 'B'	658362/88	Sundry Debtors	52974-28
		Stock outstand- ing	2718-00
		Household Goods	300-00
		Securities	3003-00
Sundry Creditors	95013-66	Motor Vehicles	11400-00
		Machinery	1500-00
		Properties	326225-00
	<u>811421/54</u>		<u>811421-54</u>

Report and  
Accounts of  
Messrs. Thian  
& Bellman  
7th October  
1957  
(Continued)

10

20

At the end of the year we estimate the position to be as set out below, subject to (a) the correctness or otherwise of the Balance Sheet prepared by the previous accountant, of Shs.31820/- being included as cash on hand, and (b) the correctness or otherwise of the amount of Sh.13321/37 included as work-in-progress.

RATTAN SINGH

Statement of Affairs as at 31st December 1946

Capital

Brought forward	716407-88	Cash on Hand	31820-00
Add: Estimated profits		do.	<u>1934-00</u>
Total Rentals	38526/-	Barclays Bank	
Less: Gian Singh	<u>11726/-</u>	{1}	21243-53
	26800/-	{2}	<u>31762/35</u>
Contracts	15140/-	N.B.I. Nairobi	65879-56
P.O. Interest	<u>22/-</u>	" Amritsar	87613-00
	41962/-	State Bank of India	687-00
		Fixed Deposit India	158775-00
Less:		Savings A/C P.O.	906-77
P/I & Water	4554/-	Sundry Debtors	22691-40
Repairs	<u>2000/-</u>	Stock on hands	5447-90
	35408/-	Household goods	300-00
	751815-88	Securities	3003-00
Less: Drawings	<u>22848-75</u>	Motor Vehicles	5534-00
	728969-13	Balance (see Schedule)	
		Machinery	1500-00
Sundry Creditors	49874-75	Work in progress	13321-37
		Properties	<u>326225-00</u>
	<u>778845-88</u>		<u>778845-88</u>

30

40

Exhibits

Exhibit 2(a)  
Report and  
Accounts of  
Messrs. Thian  
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7th October  
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(Continued)

The Bank accounts have been verified from Bank Statements, the Post Office Savings Account from the Savings Book. Cash on Hand 1934/-, Debtors, Stock and Creditors have been extracted and accepted, from the Balance Sheet prepared by the previous accountant. Household Goods, Securities, Fixed Deposit, Motor Vehicles, Machinery and Properties are carried forward from the previous Statement of Affairs since they would appear to have remained unchanged.

10

We wish to point out that we have received little co-operation from the State Bank of India, Jullundur City in response to our request to furnish a detailed statement of the transactions covering the fixed deposits held by them on behalf of both Nagina Singh and Rattan Singh. In their last memo, when they were requested to renew the deposit on behalf of Rattan Singh from 14th September, 1957, the following remarks were inscribed thereon:-

20

"We assure you to furnish you with full details shortly as called in your letter of the 9th September, 1957. We are searching our old records. We hope you will agree with us. "

Consequently, according to this lack of information, we have taken the value of the fixed deposit as Rps. 140,452/- as at 31st December, 1952, and Rps. 105850/- prior to that date. Since the interest which has accrued does not concern us, and owing to the lack of adequate evidence of the actual amount on Fixed Deposit on 11th January, 1946, we have included the above figure of Rps. 105,850/- as part of the capital inherited.

30

SCHEDULE OF MOTOR VEHICLES, 22. We attach schedule "C" reflecting the Initial and Wear and Tear Allowance claimed for the entire period under review. We have not, however, made any adjustments in 1946 or 1947, since profits have been estimated.

INTEREST, 23. On 3rd December, 1946, an item of Shs. 150/- appeared as a credit on the Bank account of our client with Barclays Bank, Queensway. Against this item the Bank inserted "Interest on W/B". Upon writing to the Bank we were advised that they presumed this referred to Interest on War Bonds, but upon enquiry from our client we are

40

advised that he does not and never did, possess any security of this nature.

Exhibits

Exhibit 2(a)

1947

Report and  
Accounts of  
Messrs. Thian  
& Bellman  
7th October  
1957  
(Continued)

10 RECORDS, 24. During this year there are, apart from the Bank Statements, no records available of any kind which would enable us to arrive at the trading profit or loss of our client, or of his assets and liabilities. On the other hand, we can build up on the accounts prepared by the previous accountant and from our own figures and estimate the profit in the same manner as calculated in 1946.

In accordance with Schedule 'A' we assess the net profit, based on 10% of amounts deposited with the Banks, as under:-

	1947
Amounts deposited to Barclays Bank, Queensway, in the name of Rattan Singh.	178,907/96
Amounts deposited to Barclays Bank, Queensway, in the name of Estate Nagina Singh.	172,796/12
20 Amounts deposited to the National Bank of India Ltd., in the name of Nagina Singh Contractors	<u>168,299/42</u> 520,003/50
Less: Estimated rents paid in, 10% say. 40320/-	<u>26,800/-</u> 493,203/50

INCOME 1947, 25. In the absence of adequate records we estimated the chargeable Income as follows:-

30 Estimated Profit on Contracts as above	49320/35
Rentals due, based on 1948. 38526/-	
Less: due to Gian Singh <u>11726/-</u>	28800/-
Interest on P.O. Savings Account.	22/-
Profit on sale of Mill Property.	<u>2750/25</u>
	<u>78892/60</u>

£3944

<u>Exhibits</u>		B/f	£3944
Exhibit 2(a)	Less: Estimated repairs	£100	
Report and	Power Water & Light		
Accounts of	(Same as 1946)	£191	
Messrs. Thian	Marriage Allce.	£350	
& Bellman	Children.	£160	
7th October	Education	£135	
1957	Dependant	£ 60	996
<u>(Continued)</u>	Chargeable Income		<u>£2948</u>

The profit on the "Mill" property has been disclosed from an examination of the N.B.I. Account in the name of the Estate of Nagina Singh s/o Mira Singh. It would appear that the property was purchased from one K.S. Neghani for Sh. 18500/- on 17th March, 1947, and subsequently sold on 16th July, 1947, for Sh. 21250/25. We are in some doubt as to whether this profit is liable for tax but we have included it with the income for this year for the reason that owing to the rapid disposal of the property after purchase, it would appear that the transaction was one of speculation rather than investment.

CAPITAL 1947. 26.

RATTAN SINGH

Statement of affairs as at 31st December, 1947

Capital: brought forward	728969-13	Cash on hand	374-50	
Add: Profit contracts		Barclays Bank		
	49320-35	" (1)	2109-22	
Rentals	28800-00	" (2)	9368-07	11477-29
P.O. Interest	22-00	N.B.I. Nairobi		34439-19
Sale Mill		" Amritsar		87613-00
Property	<u>2750-25</u>	State Bank of India		2290-00
	78892-60	Fixed Deposit		
Less:		Jullundur City	158775-00	
Expenses		Savings A/c P.O.	929-27	
Repairs 2000-00		Sundry Debtors	20633-89	
P/L &		Stock on hand	3503-00	
Wat.	<u>4500-00</u>	Household Goods		
	72392-60	Balance	300/-	
Less: Drawings	<u>13700-00</u>	Ex Cash	31820/-	32120-00
	58692-60	Securities		3003-00
Sundry Creditors	787661-78	Work in progress		116781-06
	57309-47	Motor Vehicles		3003-00
		Machinery		1500-00
		Properties		
		Balance	326225/-	
		Additional	141500/-	367725-00
	<u>844971-20</u>			<u>844971-20</u>



The Banks Accounts have all been verified from Bank Statements and the P.O. Savings Accounts from the P.O. Savings Book. Cash in hand, Debtors, Stock and Creditors have been taken from the previous accountant's Balance Sheet of even date. The Securities have been inspected.

Exhibits

Exhibit 2(a)

Report and  
Accounts of  
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1957

(Continued)

10 We have transferred the cash on hand of Sh 51820/- to Household Goods since it is likely that over the last seven years, during which time our client's position steadily improved, that additional household goods and jewelry were purchased from time to time.

20 It will be noted that Work-in-Progress stands at Sh. 116,781/06. At this time, the business was fairly active and of the above amount Sh. 91,207/65 is accounted for in accordance with paragraph 7 of our report dated 15th November, 1956. The balance of Sh. 28,798/35 has been adjusted in order to balance the account and could, in our opinion, either be placed under "Work-in-progress" or "Stock on Hand".

1948 - 1953

ADJUSTMENTS, 27. (a) On going through the Cash Book again with Surgit Singh we are advised that certain items must be added back as they represented personal drawings which were previously given us by S.M. Shaffie as expenditure in connection with contracts.

30 These items are referred to under Schedule 'D' appended to this report.

40 (b) According to our report dated the 15th November, 1956, the information contained therein regarding the two properties of 5th Avenue, Parklands, and Grogan Road does not appear to present a true position in as much as (1) the valuation made by Messrs. Sauvage & Scade Ltd., exceeds the valuation made by our client to you on the 18th April, 1956, and (2) the cost of Grogan Road property given at that time referred only to one position of the building.

The position would now appear to be as follows :-

Exhibits

Exhibit 2(a)

Report and  
Accounts of  
Messrs. Thian  
& Bellman  
7th October  
1957  
(Continued)

1. Valuation of building erected in 1950 on Plot L.R. 209/136/68 known as Grogan Road Property and valued by Messrs. Sauvage & Scade Ltd., at ..... 83200/-
2. Valuation of buildings erected in 1950 on portion of the above plot and sold in 1953 to one Kashmirilal and valued by our client at ..... 100000/-
3. Valuation of buildings erected in 1951 on Plot No. L.R. 209/51/7, known as 6th Avenue, Parklands, and valued by Messrs. Sauvage & Scade Ltd., at ..... 45500/- 10

On referring to the property in Grogan Road and in particular to the valuation of the unsold portion thereof we noticed that there are stores and shops contained therein which have letting values. Our client advised us that these premises were used entirely for his own storage and personal requirements and upon our own inspection of the premises we found such to be the case. 20

In dealing with the accounts, it is, of course, proper to bring into account the cost of these buildings since it is clear that the materials and labour were charged against the firm and not to our client in his personal capacity. It is necessary, therefore, in adjusting items 1 and 2 above for 1950, to add the amount of 123,200/- to the profit as under :- 30

Amount credited in accordance with account submitted previously and per our report dated 15th November, 1956. 60,000/-

Difference still to be accounted for as above 123,200/-  
Total of items 1 and 2. 183,200/-

In addition, the sale in 1953 of the one portion of the property was shown by us as Sh.190,000/- whereas, in fact, it was sold for 193,000/-. The difference of 3,000/- should also be adjusted. 40

It would appear that, subject to the correctness or otherwise of the valuation placed upon that

portion of the property sold by our client, the resultant profit on the sale was as follows:-

Cost of plots (two)	26,000/-
Cost of building	100,000/-
Profit	<u>67,000/-</u>
Sold for (1953)	<u>193,000/-</u>

10 Since, however, this is an isolated transaction and a capital profit which, in our opinion, falls outside the normal scope of the business of our client, we have omitted this profit of 67,000/- from his income for 1953.

20 With regard to the 6th Avenue, Parklands Property, we have questioned our client again regarding the date this property was completed, since according to Messrs. Sauvage & Scade this was in 1951, whereas to both you, during the interview were advised that the buildings were completed as to three-quarters in 1953, and one-quarter in 1954. When going into the matter of rents we find that the tenant, Saleh ud Din, actually paid rent as from November 1952. We will therefore assume that the building was completed in 1952.

1. On adjustment should there be made to reverse the item of 30,000/- (being three-quarters of 40,000/-) in 1953.
2. The full amount of 45,500/- should be added to the turnover for 1952 in respect of the total estimated value of the buildings in accordance with the valuation made by Messrs. Sauvage & Scade Limited.

30  
40 (c) On 11th November, 1962, an amount of Rps.20000,00 (Sh 30,000/-) appeared as a deposit with the State Bank of India, Jullundur City, whereas we have not been able to trace any payments to India from the Cash Books or Bank Statements in our possession. According to the information given to us this amount was held in trust for Fakir & Ghanan Singh, both sons of Karim Singh who apparently are related in some way with Rattan Singh. Upon being questioned as to why such monies deposited on behalf of the above were transferred into fixed deposit, we were advised that as the money was lying idle Rattan Singh used these funds to his own advantage.

Exhibits

Exhibit 2(a)

Report and  
Accounts of  
Messrs. Thian  
& Bellman  
7th October  
1957  
(Continued)

Exhibits

Exhibit 2(a)

Report and  
Accounts of  
Messrs. Thian  
& Bellman  
7th October  
1957  
(Continued)

We are not entirely satisfied with the explanation given to us in connection with this deposit and we will endeavour to obtain some further evidence in support of the above if and when this becomes available.

- (d) On 31st August 1951, an amount of 30,000/- was deposited, in cash, to the credit of the firm's banking account with the National Bank of India Limited. Across the face of the deposit are the words "Loan from Ranjit Kaur", who, we now understand, is the wife of our client.

10

Unless these funds were an accumulation of savings it would appear that the amount is assessable in the hands of the recipient..

- (e) According to the statement of Fixed Deposits submitted to us by the National Bank of India Limited, Amritsar, we ascertained that an amount of Rps. 20, 00 was deposited on 28th August, 1952.

20

No similar payments appeared in any of the Indian or East African Banks and upon further investigation the following letter, dated 13th August, 1952, appears to account for the source of the deposit:-

" From Rattan Singh s/o Nagina Singh to the Manager, National Bank of India Limited, Mall Bazaar, Amritsar

Dear

I am in receipt of your letter of 8th of this month and as desired I beg to furnish you with the following information:-

30

1. The amount of Rs. 20,000/- (D.Dft on you) remitted with my letter of 21st July, 1952, for being credited to my old Fixed Deposit Account with you, with your receipt No. 9577, represents the amount given to me by my father (deceased) before his death for the marriage expenses of my elder son i.e. his grandson Mr. Gian Singh at present studying in England.

2. I intend to come to India most probably in the end of next year to manage the marriage ceremony of my son.

40

Yours faithfully,  
(Signed) Rattan Singh s/o Nagina Singh".

It would appear therefore, that the above amount was in respect of an inheritance and not subject to Income Tax.

Exhibits

Exhibit 2(a)

10 AMENDED BALANCE SHEETS, 28. The amended Balance Sheets from 1948 to 1953 are appended hereto, these have taken into account the various matters arising out of our further enquiries, but which can only be regarded as an attempt to present as close a picture as possible of the position in accordance with the information given to us by our client and his son Surjit Singh.

Report and Accounts of Messrs. Thian & Bellman  
7th October 1957  
(Continued)

The Profits and Losses reflected in the amended Balance Sheets must be adjusted in the Accounts submitted on 15th November, 1958, as under:-

	<u>Previous Accounts</u>		<u>Present Accounts</u>		<u>Adjusted to</u>	
	<u>Profit</u>	<u>Loss</u>	<u>Profit</u>	<u>Loss</u>	<u>Profit</u>	<u>Loss</u>
1948	165980-30		4128-56		170108-86	
1949	79732/75		506/56		80239-31	
1950	36030/29		127091-99		163122/28	
20 1951		35107/56	30648/84			4458-72
1952	190191-87		43052-44		233254-31	
1953		2510-41		37293-54		39803-95
	471935/21	37617/97	205438/39	37293/54	646724/76	44262/67

30 CONCLUSION, 29. we wish to advise you that the delay in submitting this Report has been occasioned not by any lack of co-operation from our client, but mainly due to the dilatory manner in which our client's request for information from the Banks of India has been forthcoming. In fact, we are still awaiting information as set out under paragraph 21.

Yours faithfully,

Thian & Bellman,

Rattan Singh.

RATTAN SINGH

Trading as Nagina Singh Contractor

AMENDED BALANCE SHEET

Account	1948	1949	1950	1951	1952	1953
Balance Sheets attached to our report dated 15th November 1956		36,645.99	235,543.42	155,816.84	323,876.28	279,187.75
<u>Add Capital items not previously disclosed</u>						
National Bank of India Limited, Current A/C, Amritsar.	87,613.00	87,613.00			59,816.00	
State Bank of India, Current A/C, Jullundur City	2,290.00	61,221.11	55,641.00	55,341.00		
Post Office Savings Banks	952.27	952.27	975.77	999.77	1,053.15	1,077.65
Fixed Deposits	158,775.00	158,775.00	247,210.00	247,210.00	279,625.00	280,450.00
Plant & Machinery	420.00	420.00	420.00	420.00	420.00	420.00
Properties	248,516.15	248,516.15	248,516.15	571,716.15	571,716.15	417,216.15
Household Effects	32,120.00	32,120.00	32,120.00	32,120.00	32,120.00	32,120.00
Securities	3,003.00	3,003.00	3,003.00	3,003.00	3,003.00	3,003.00
In Trust Gian Singh (See report)				30,000.00	30,000.00	30,000.00
do Fakir & Ghanan Singh (See report)				30,000.00	30,000.00	30,000.00
	858,590.59	893,264.41	823,429.34	866,626.76	1,111,629.58	1,081,819.55
	858,590.59	893,264.41	823,429.34	866,626.76	1,111,629.58	1,081,819.55
<u>Less: Capital Items</u>						
Adjustment on Motor Vehicles, see schedule 'C'	2,992.00	4,474.00	3,985.00	2,726.00	2,728.00	
Losses adjustable for Taxation purposes		1,511.00			2,837.00	37,997.00
Drawings	3,610.56	1,204.06	3,210.99	623.34	374.94	3,678.96
	851,978.03	887,283.35	816,233.35	833,275.42	1,105,690.64	1,040,143.50
<u>Add Additional Income (Taxable)</u>	4,128.56	2,017.56	127,091.99	30,648.84	45,899.44	703.46
<u>Add Additional Income (Not Taxable)</u>					534.00	1,688.00
<u>Adjusted Capital</u>	856,108.59	889,302.91	943,325.54	863,924.26	1,152,424.08	1,042,535.05
<u>Sundry Creditors as per Balance Sheet to previous report</u>	69,345.45	83,834.34	119,251.71	233,574.28	148,959.14	190,381.75
	925,452.04	973,437.25	1,062,577.05	1,097,498.54	1,301,383.22	1,232,916.80

	1948	1949	1950	1951	1952	1953
<u>Cash as per our previous Balance Sheets</u>	141,844.92	124,556.54	79,155.35	9,417.92	288,913.92	44,615.36
<u>Add:</u> National Bank of India, Current A/C, Amritsar	87,613.00	87,613.00				
State Bank of India Current A/C, Jullundur City	2,290.00	61,221.00	55,641.00	55,341.00	39,816.00	90,549.00
Fixed Deposit N.B.I. Amritsar			88,435.00	88,435.00	59,269.00	90,549.00
do do do					30,000.00	30,000.00
do State Bank of India Jullundur City	158,775.00	158,775.00	158,775.00	158,775.00	221,190.00	221,190.00
Post Office Savings Account No. 14780	952.27	975.77	999.77	1,024.27	1,048.77	1,073.27
do do do No. 15963					28.88	28.00
<u>Deposits, as per previous Balance Sheets</u>	46,100.00	62,600.00	47,300.00	95,400.00	9,200.00	9,200.00
<u>Sundry Debtors as per previous Balance Sheets</u>	11,064.85	16,406.94	21,461.48	48,062.90	60,702.20	350,334.14
<u>Stock on Hand as per previous Balance Sheets</u>	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
<u>Work in Progress as per previous Balance Sheets</u>	50,000.00	15,000.00	35,000.00	68,000.00		120,000.00
<u>Household Goods Additional</u>	32,120.00	32,120.00	32,120.00	32,120.00	32,120.00	32,120.00
<u>Securities Additional</u>	3,003.00	3,003.00	3,003.00	3,003.00	3,003.00	3,003.00
<u>Office Equipment Additional</u>						898.00
<u>Motor Vehicles refer schedule "C"</u>	2,626.00	5,465.00	3,760.00	2,589.00	8,023.00	10,529.00
<u>Plant and Machinery as per previous Balance Sheets</u>	918.00	16,776.00	19,403.00	18,405.00	15,643.00	14,334.00
Additional	420.00	420.00	420.00	420.00	420.00	420.00
<u>Land &amp; Buildings</u>	119,208.85	119,708.85	124,789.30	124,789.30	124,789.30	
Additional	248,516.15	248,516.15	248,516.15	248,516.15	248,516.15	248,516.15
See Paragraph 27 (b) of Report			123,200.00	123,300.00	168,700.00	135,700.00
	925,452.04	973,437.25	1,062,577.05	1,097,498.54	1,301,383.22	1,252,916.80

RATTAN SINGH

Exhibit 2(a)

CONTRACTS - EXCLUDING RENTALSReport and  
Accounts of  
Messrs. Thian  
& Bellman  
7th October  
1957  
(Continued)

	DATE	RATTAN SINGH BARCLAYS BANK QUEENSWAY	ESTATE OF NAGINA SINGH BARCLAYS BANK QUEENSWAY
	28/2/46	1000.00	
	11/3/46	548.70	
	16/3/46	5000.00	
	20/3/46	146.00	
	3/4/46	258.00	
10	6/4/46	717.00	
	8/5/46	149.23	
	15/5/46	365.00	
	17/5/46	543.00	
	20/5/46	1975.00	
	28/5/46	666.00	
	8/6/46	1000.00	
	20/6/46	12153.00	
	20/6/46	1000.00	
	20/6/46	489.00	
20	20/6/46	1350.00	
	1/7/46	435.00	
	1/7/46	182.00	
	3/7/46	4000.00	
	19/7/46	290.00	
	26/7/46	115-73	
	26/7/46	200-00	
	1/8/46	11630.00	
	16/8/46	273.00	
	17/8/46	200.00	
30	28/8/46	11630.00	
	30/8/46	12773.35	
	4.9.46	2215.00	
	5.9.46	8000.00	
	5.9.46	585.24	
	20.9.46	207.80	
	20.9.46	49-50	
	9.10.46	31057-00	
	17.10.46	1500-00	
40	18.10.46		26736-23
	17.10.46	986-20	
	29.10.46		873.27
	6.11.46		4865.90
	18.11.46		1248.00
	18.11.46	75.00	
	18.11.46	600-00	
	18.11.46	525-00	
	22.11.46	797.07	
	27.11.46		1017-00
50	16.12.46	808.00	
	27.12.46	75-00	
	31.12.46	245-00	
	31.12.46	500-00	

116813-28

34740-40

CONTRACTS AND RENTS

Exhibit 2(a)

	RATTAN SINGH DATE BARCLAYS, QUEENSWAY	ESTATE NAGINA SINGH BARCLAYS, QUEENSWAY	NAGINA SINGH CONTRACTOR NATIONAL BANK OF INDIA	Report and Accounts of Messrs. Thian & Bellman 7th October 1957 <u>(Continued)</u>
	5.1.47	5360-00		
	5.1.47	5205-00		
	17.1.47	438-00		
	21.1.47	3154-78		
	24.1.47	574-00		
	27.1.47	500-00		
10	29.1.47	5000.00		
	31.1.47	706-00		
	13.1.47		1723-20	
	28.1.47		3758-00	
	31.1.47		191-00	
	14.1.47			90-00
	5.2.47	661.00		
	08.2.47	120-00		
	10.2.47	2450-00		
	20.2.47	618-50		
20	26.2.47	20000-00		
	27.2.47	12050-00		
	27.2.47	425-00		
	28.2.47	370-00		
	12.2.47		1090-00	
	20.2.47		1376-60	
	22.2.47		1444-00	
	24.2.47		1290-00	
	28.2.47		800-00	
	28.2.47		240-00	
30	11.3.47	11000-00		
	12.3.47	355-00		
	13.3.47	10000-00		
	20.3.47	1215-20		380-00
	21.3.47		771.00	
	29.3.47		225-00	
	8.4.47	827-60		
	8.4.47	1260-00		
	17.4.47	7000-00		
	23.4.47	256-60		
40	8.4.47			902-00
	8.4.47			168-00
	17.4.47			9375-00
	17.4.47			365-00
	23.4.47			3225-60
	2.5.47	20910-00		
	10.5.47	1820-00		
	26.5.47	135-00		
	28.5.47	345-00		
	26.5.47		715-00	
50	7.5.47			30000-00
	15.5.47			360-00
<hr/>				
	112757-28	13604-30	44866-40	



DATE	RATTAN SINGH BARCLAYS, QUEENSWAY	ESTATE NAGINA SINGH BARCLAYS, QUEENSWAY	NAGINA SINGH CONTRACTOR NATIONAL BANK OF INDIA	Exhibit 2(a) Report and Accounts of Messrs. Thian & Bellman 7th October 1957 <u>(Continued)</u>
	112757-28	15604-50	44866-40	
	5.6.47 610-00			
	6.6.47 700-00			
	11.6.47 30000-00			
10	12.6.47 580-00			
	12.6.47 518-00			
	3.6.47	76-80		
	11.6.47	477-50		
	19.6.47	47-51		
	12.6.47	425-00		
	26.6.47	1153-60		
	6.6.47		19993.02	
	4.7.47 235-00			
	10.7.47 1082-40			
20	4.7.47	560-00		
	22.7.47	3038-20		
	31.7.47	60-00		
	22.7.47 626-00			
	26.7.47 1120-00			
	1.8.47 20235-00			
	19.8.47 209-00			
	26.8.47 560-98			
	9.8.47	15000-00		
	19.8.47	700-70		
	25.8.47	633-75		
30	26.8.47	425-00		
	5.9.47 2235-00			
	16.9.47 132-00			
	24.9.47 152-30			
	5.9.47	684-30		
	8.9.47	1170-07		
	9.9.47	7500-00		
	16.9.47	100-00		
	19.9.47	30000-00		
	25.9.47	1188-20		
40	23.9.47	994-50		
	26.9.47	600-00		
	29.9.47	2150-00		
	27.9.47		40000-00	
	2.10.47 355-00			
	24.10.47 96-50			
	30.10.47 120-00			
	31.10.47 249-00			
	6.10.47	5504-45		
	10.10.47	1066-00		
50	14.10.47	40000-00		
	24.10.47	18519-42		
	30.10.47	40-00		
	30.10.47	3550-00		
	31.10.47	100-00		
	31.10.47	333-80		
	14.10.47		30000-00	
	172574-46	147902-90	134859-42	

	RATTAN SINGH DATE BARCLAYS, QUEENSWAY	ESTATE NAGINA SINGH BARCLAYS, QUEENSWAY	NAGINA SINGH CONTRACTOR NATIONAL BANK OF INDIA	<u>Exhibits</u> Exhibit 2(a) Report and Accounts of Messrs.Thian & Bellman 7th October 1957 <u>(Continued)</u>
	172574.46	147902.90	134859-42 2800-00	
	15.10.47			
	6.11.47	477-00		
	17.11.47	120-00		
10	30.11.47	487-50		
	4.11.47		76-80	
	15.11.47		755-00	
	19.11.47		5425-00	
	20.11.47		639-62	
	25.1.47		3388-66	
	26.11.47		148-80	
	29.11.47		568-55	
	2.11.47	249-00		
20	6.12.47	3000-00		
	4.12.47		1320-00	
	5.12.47		1312-50	
	9.12.47		181-50	
	11.12.47		397-00	
	13.12.47		341-80	
	13.12.47		4395-86	
	17.12.47		1201-00	
	17.12.47		246-00	
	23.12.47		1237-43	
30	23.12.47		180-00	
	29.12.47		297-30	
	29.12.47		637-40	
	29.12.47		145-00	
	12.12.47			640-00
	13.12.47			30000-00
	178907-96	172796-12	168299-42	

S U M M A R Y

	<u>1946</u>	<u>1947</u>
40	Rattan Singh Barclays Bank, Queensway. 116313-28	178907-96
	Estate Nagina Singh Barclays Bank, Queensway. 34740-40	172796-12
	Nagina Singh Contrs. Nat.Bank of India	168299-42
	151553.68	520003-50
	Less Estimated Rents	40000-00
50	151553-68	480003-50
	10% 15155.36	48000-35

## RATTAN SINGH

## NET ASSETS SECURED FROM

	Mach- inery	Debtors	Stock	Motor Vehicles	House- hold goods	Cash	Property	Secur- ities	Creditors
							5000-00		
10						525-33 64997-06			
		32685-28 289/-			300-00				
			2718/-	11400-00					
20							40000-00 40000-00 20000-00 75000-00		
			1500-00						
						87999/10			
						87613/-			
30						158775/-			
						687/-			
						884-77			
40								3-00 3000-00	
							120000/-		
10.		32974/28	2718/-	11400/-	300/-	401481/26	300000/-	3003/-	89347-37
11.									5666-29

RATTAN SINGH - SCHEDULES OF MOTOR VEHICLES - 25% + 1/4 Schedule " "

	LORRY H 885	LORRY T9827	LDV.Ton T9044	DOGE H6954	DOGE L.D.V. H4478	GMC LORRY 960	PEUGEOT KBC549	AR 2960 CHAV LDV	TOTAL
COST 1946	5000	3400	3000						11400
I.A.	1000	680	600						
W. & T.	1587	2587	1062	1742	237	1537			5534
	2413	1658	1463						
1947									
10 ADDITIONS									
W. & T.	753	517	456	Scrap	1000				1000
1948	1660	1141	1007						2726
W. & T.	518	351	313						3808
1949	1142	790	694						1182
ADDITIONS					7500				2626
W. & T.	356	246	216		2343				7500
I.A.					1500				
1950	786	544	478						4861
W. & T.	245	170	148						5465
1951	541	374	330						1705
W. & T.	168	116	102						3760
1952	373	258	228						1171
ADDITIONS						4500			2589
I.A.						800			12800
W. & T.	116	80	71			1700			7366
1953	257	178	157						8025
ADDITIONS								13900	13900
I.A.								2980	
W. & T.	80	55	48					4393	7323
30 SCRAP						2097			
W.D.V.1/1/54	177	123	109		694			2849	6377
									11394
									10529

RATTAN SINGH

ITEMS TO BE ADDED BACK TO PROFITS.

		1948	1949	1950	1951	1952	1953	
	28. 1.48	Cash to Mohinder Singh						
	18. 2.48	Ranmal Duda	800-00					
	15. 5.48	do	758-64					
	21. 6.48	do	320.10					
	27. 9.48	do	293.06					
10	15.10.48	do	493.78					
	4.11.48	R.P. Patel	217.18					
	16.12.48	Ranmal Duda	200-00					
	17. 1.49	do	527.65					
	15. 2.49	do		469.69				
	20. 9.49	do		310.04				
	23.12.49	Sonia Jamnadas		1074.35				
	17.2.50	Ranmal Duda		104.00				
	20. 3.50	do		1239.58				
	20.6.50	do		154.46				
20	23. 7.50	do		451.29				
	20. 8.50	do		198.88				
	20. 9.50	do		109.21				
	27. 9.50	Sonia Jamnadas		129.21				
	18.10.50	Ranmal Duda		334.42				
	20.11.50	do		153.21				
	15.12.50	do		255.80				
	13. 2.51	do		196.24	133.05			
	15. 3.51	do			62.10			
30	20. 4.51	do			108.22			
	27. 6.51	do			163.88			
	11. 7.51	Purshotam Shamat			25.00			
	21. 8.51	Ranmal Duda			53.35			
	23.11.51	do			59.74			
	21. 1.52	do				32.20		
	26. 2.52	do				72.40		
	2. 3.52	do				62.07		
	23. 3.52	do				40.82		
	24.11.52	do				167.45		
40	21. 1.53	do					35-05	
	24. 4.53	do					101.20	
	23. 5.53	do					123.50	
	24. 6.53	do					104.40	
	28. 8.53	do					122.25	
	23. 9.52	do					68.90	
	20.10.53	do					100.96	
			3630.58	1994.98	3210.20	683.32	374.94	678.96

Exhibit 2(b)

Income Tax Computations based on Accounts in  
First Report of Messrs. Thian & Bellman

I.B. 471

RAJATAN SINGH

Income Tax Computations based on Accounts submitted by Messrs. Thian  
& Bellman in First Report

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>
Balance as Accounts			165,980.30	79,732.75	36,030.29		150,191.87	
10 <u>Deduct Rents</u>			31,147.84	25,862.49	27,164.04		35,541.87	
			134,832.46	53,870.26	8,860.29		154,650.00	
<u>Add Commissions</u>			875.00					
Donations			202.00	200.00	116.00	2,602.00	5.00	2,053.00
Legal Expenses			5,161.28	1,234.00	2,441.14	13,212.83	6,104.65	8,352.84
Medical Expenses			500.00	198.00	300.00	1,280.00	370.00	889.00
Depreciation			1,862.00	6,110.55	5,785.00	5,620.00	7,291.00	6,025.00
Audit Fees re Investigation			2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
			145,932.74	64,112.81	20,008.39		170,920.65	
<u>Deduct Wear &amp; Tear as per Second Report</u>			1,182.00	4,661.00	1,705.00		7,366.00	
			144,750.74	59,451.81	18,303.39		163,554.65	
20 <u>Add Motor Expenses disallowed (est)</u>			2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,500.00
Stock Adjustment				11,000.00	11,000.00	11,000.00	11,000.00	11,000.00
Work in Progress adjustment		91,207.65						
Cost of Parklands Plot etc. (est.)				17,500.00				16,000.00
Cost of Grogan Road Plot etc. (est)					51,320.00			
Profit on sale of 2nd Plot Grogan Road (Est.)								80,000.00
Cost of demolishing Imtiazali building (est.)						5,000.00		
African Wages			10,000.00					
Drawings adjustment (est.)			4,000.00	16,000.00	17,000.00	17,000.00	17,500.00	17,500.00
Round sum debits to Contracts			3,900.00	9,050.00	13,000.00	4,800.00	5,500.00	8,500.00
30 <u>Round sum - City Garage</u>			1,000.00					
Cash overdrawn						8,636.55	1,101.90	
Retention money - Moshi								21,800.00
Repairs to Property of Relatives (est.)			200.00	200.00	200.00	200.00	200.00	200.00
Adjustment re lost deposit								
Cash in name of Ranjit Kaur						30,000.00		
Cash - no name						3,000.00		
Cash lodged in N.B.I. Jullundur City							30,000.00	
Cash lodged in bank, India							30,000.00	
Round sum creditors unexplained			6,000.00		2,600.00	29,080.00		18,300.00
40 <u>Payment to Immigration Department</u>				1,241.30				
Estimated Profits	30,000.00	70,000.00						
	30,000.00	161,207.65	80,643.09	115,443.11	115,423.39	91,898.28	260,856.55	151,500.73

Exhibits

Exhibit 2(b)

Income Tax  
Computations  
based on Accounts  
of Messrs.  
Thian & Bellman

	<u>Returns</u>			<u>Thian's 1st Report</u>			<u>Thian's 2nd Report</u>			<u>Blackhall at 3.6.60 re 1957</u>			<u>Blackhall per Exn 26</u>		
	<u>Profits</u>	<u>T'over</u>	<u>Rents</u>	<u>Profits</u>	<u>T'over</u>	<u>Rents</u>	<u>Profits</u>	<u>T'over</u>	<u>Rents</u>	<u>Profits</u>	<u>T'over</u>	<u>Rents</u>	<u>Profits</u>	<u>T'over</u>	<u>Rents</u>
1946	516	11,822	557	-	-	-	757	-	1,049	300	7,500	1,850	419	7,500	1,204
47	492	10,030	375	-	-	-	2,466	-	1,049	2,100	31,500	1,350	1,833	29,000	1,204
48	512	8,982	375	6,742	40,145	1,557	6,948	-	1,557	1,050	27,000	1,713	1,599	29,750	1,340
49	563	9,226	375	2,693	14,081	1,293	2,719	-	1,293	405	13,000	2,024	346	13,000	1,293
50	1,148	23,925	375	443	25,223	1,358	6,798	-	1,358	997	23,000	1,951	891	23,000	1,508
10 51	771	40,766	375	loss -3,363	34,017	1,608	loss -1,831	-	1,608	1,160	35,000	2,447	994	35,000	1,608
52	3,415	69,702	375	7,732	71,234	1,777	8,885	-	1,777	3,000	69,000	2,027	2,384	69,000	1,777
53	2,929	48,245	375	loss -1,636	45,203	1,511	loss -3,501	-	1,511	600	37,000	2,421	loss - 231	37,000	2,024

Exhibits

Exhibit 2(b)

Income Tax Computations based on Accounts of Messrs. Thian & Bellman (Continued)

Agreed Figures

	<u>Profits</u>	<u>Rents</u>
1946	1,500	1,790
47	6,250	1,790
48	4,032	1,926
49	5,710	2,019
20 50	5,771	2,234
51	2,945	2,734
52	11,543	2,903
53	7,575	3,219

RATTAN SINGH

Schedule of Income

Exhibits

Exhibit 2(b)

	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>	<u>1942</u>	<u>1943</u>	<u>1944</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>
Salary						4,484.50	4,484.50	4,484.50								
Salary - Nagina Singh			10,800	10,800.00	10,800.00	10,800.00	10,800.00	10,800.00								
Rents banked 1941-1945				4,713.20	6,549.50	1,700.50	1,206.40	500.00								
Nagina Singh re Barclays Bank Contract				61,805.39	94,300.00	201,000.00	25,000.00	115,884.42								
Rents not banked 1941-45					42.00											
Rents 1946 et. seq					1,355.50	14,979.50	15,473.60	16,180.00								
Property for services rendered				33,540.00	50,525.00				35,800.00	35,800.00	30,526.16	40,382.49	44,684.04	46,674.54	50,061.87	56,375.75
Amounts stated to be inherited		62,588.84	62,588.84	62,588.84	62,588.84	62,588.84	62,588.84	62,588.84								
Business profits, see separate statement									30,000.00	161,207.65	80,443.09	115,443.11	115,423.39	91,898.28	260,856.55	151,500.73
N.A.V. Grogan Road 1951 onwards (Cost Rs. 366)														2,400.00	2,400.00	2,400.00
Grogan Road Rents (Est.)														10,000.00	10,000.00	10,000.00
N.A.V. Imtiasali Road									1,900.00	1,900.00	1,900.00					
	73,368.84	173,753.43	266,660.84	295,553.34	119,553.34	210,437.76			67,700.00	198,907.65	121,069.25	157,725.60	162,007.43	150,972.82	323,318.42	220,276.48
	£ 3,669	8,688	11,333	14,778	5,978	10,522			3,385	9,945	6,053	7,886	8,100	7,548	16,166	11,014
Trade									1,500	8,060	4,032	5,772	5,771	5,094	13,543	8,075
Employment		3,669	8,452	10,913	13,944	5,144	9,688									
Rents			236	420	834	834	834		1,790	1,790	1,926	2,019	2,234	2,334	2,503	2,819
Annual Value, Property									95	95	95	95	95	95	120	120
	£ 3,669	8,688	11,333	14,778	5,978	10,522			3,385	9,945	6,053	7,886	8,100	7,548	16,166	11,014
												375		375		
												7,511		7,173		
																£125,065
																750
																£124,315

Schedule of Allowances

Marriage		350	350	350	350	350	350	350	350	350	350	350	350	350	350	350
Children		160	160	200	200	200	200	200	200	200	200	160	160	160	240	240
Dependant Relative									60	60	60	60	60	60	60	60
Life Assurance									53	81	81	81				
Education									160	160	160	110	130	195	195	195
	£															



Exhibit 2(c)

Investigation Report, Balance  
Sheet and Accounts,  
1st January 1948 to  
31st December, 1953

RATTAN SINGH

Trading as Nagina Singh Contractors

Exhibits

Exhibit 2(c)  
Investigation  
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1953

INCOME TAX

INVESTIGATION REPORT

and

BALANCE SHEET

and

ACCOUNTS

for the period from:

1st January, 1948, to 31st December, 1953

EMILAN & BELLMAN  
CHARTERED ACCOUNTANTS  
AND  
INCORPORATED ACCOUNTANTS  
NAIROBI  
KENYA COLONY.

THIAN & BELLMAN  
INCORPORATED ACCOUNTANTS

501/4 Stanvac House,  
Queensway,  
Nairobi.  
Kenya Colony

Exhibits

Exhibit 2(c)

15th November, 1956.

Investigation  
Report,  
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1st January  
1948 to 31st  
December  
1953  
(Continued)

The Commissioner of Income Tax,  
Investigation Branch,  
Head Office,  
NAIROBI.

10 Dear Sir,

re: RATTAN SINGH, REFERENCE I.B.471

Introduction 1. In accordance with instructions we have received from Mr. Rattan Singh, we have investigated his affairs in relation to the preparation of proper accounts for Income Tax purposes and have to report as follows:-

20 Period 2. According to our information and with reference to paragraph 5. of your notes on an interview held in your offices on 18th April, 1956, your Department required to ascertain all income received and earned by the above from the period 1st January, 1940, to 31st December, 1953.

30 From 1st January, 1940 to 31st December, 1945, we are advised that Mr. Rattan Singh worked for his father and was not given a salary, but was provided with food, clothing and a room. There were, however, two properties which were given to Mr. Rattan Singh by his father during this period which, we understand, were in return for services rendered. These properties were as under:-

Salisbury Lane.	Purchased 3/2/41 for Sh 15,000/-
Swamp Road	Purchased 16/3/42 for Sh 10,225/-

We regret that owing to the complete lack of any books or records, we are unable to furnish you with any accounts for 1946 and 1947, during which time Mr. Rattan Singh appeared to have carried on the business on his own account.

40 From 1st January, 1948, to 31st December, 1953, we have prepared Trading and Profits Accounts and Balance Sheets each year which are enclosed herewith.

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1948 to 31st  
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1953  
(Continued)

Immovable Property 3. In order to present a picture of all properties held by Mr. Rattan Singh, we set out under Schedule 'A' details of these and such information as we have been able to ascertain in connection therewith.

Items 1, 2, 4, and 5, appeared to have been inherited from his father, Nagina Singh, while the remaining properties have been bought on his own account, and that of Gulzaar Street in the name of one of his sons, Gian Singh.

10

According to paragraph 2 and 3 of the notes taken of the interview on 18th April, 1956, the cost of the residential property at 6th Avenue, Parklands, and the store and residence at Grogan Road were met from business funds and consequently an adjustment has been made in the accounts under review and in the respective years of 1950 and 1953, to rectify the position. We have, however, passed entries covering the cost of the building only, namely, Sh 60,000/-, in respect of Grogan Road and three quarters of Sh 40,000/-, in respect of the Parklands 6th Avenue property, since, according to the information given to us by Mr. Rattan Singh the cost of the plots, with the exception of the items accounted for during the years 1949 and 1950, were paid for in 1947, the period falling outside these accounts.

20

We draw your attention to these facts, as in the final assessment you will require to ascertain the amounts to be adjusted in 1947.

30

According to our information the properties account was debited as under:-

1949 Deposit Parklands 6th Avenue	500.00
1950 Grogan Road, Madan & Shah	<u>5080.45</u>
	<u>5580-45</u>

It would appear therefore that in 1947 the following adjustment should be made to the credit of revenue:-

Cost of Plot 6th Avenue, Parklands	15,500.00	40
Cost of Plot Grogan Road.	<u>28,000-00</u>	
	<u>41,500-00</u>	
Less Amounts accounted for in 1946 and 1950	<u>5,580-45</u>	
	<u>35,919-55</u>	

A portion of the Grogan Road property appears to have been sold in 1953 for Sh. 190,000/- and the resultant profit has been treated by us as a capital profit in the relative account and passed to the Capital Account of Rattan Singh.

Exhibits

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(Continued)

10 Since we have accepted the previous Accountant's valuation of property, as at 31st December, 1947, the sale over the one plot of the Grogan Road property completely wipes out this account and leaves the Balance Sheet devoid of a substantial asset from which rents are being derived. We have not attempted to place any valuations upon these properties as set out under Schedule 'A'.

20 Turning to Gulzaar Street property it will be observed that we have treated the income separately from that of Mr. Rattan Singh since the property appears to have been given to his son, Mr. Gian Singh and is, in fact, registered in his name. We take it that separate assessments will be made in regard to these rentals since the property was acquired in 1941.

30 Books & Records 4. In the absence of the Ledger, which we understand was stolen from the office of the Accountant, we have had to prepare a new ledger covering the years under review. The Cash Books furnished us with the main source of our information, but as these were badly kept we have had to check and reconcile these in detail with the relative banking accounts and adjust the numerous entries which were omitted. Owing to the lack of vouchers we have not been able to carry out an audit of the Cash Book entries except that we have checked the rent receipt books which were available and which were accounted for in the Cash Book. We have accepted allocations for receipts and payments given to us by Mr. S.M. Shaffie who appears to have the authority and knowledge to deal with these matters.

40 In 1948, since no expenditure was reflected against actual cash received we have passed the following entry through the books:-

Rattan Singh	- Drawings	12,000.00
African Wages		10,000-00
Travelling Expenses		7,329.11
		<u>29,329.00</u>

Exhibits

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These allocations are, of course, purely arbitrary and have been given to us by Mr. Shaffie. It is reasonable to assume that during 1948, certain expenditure was incurred in this connection and accordingly we have accepted these figures as representing the position owing to lack of any other information.

In the absence of proper vouchers, books and records, we have experienced considerable difficulty in arriving at "loan" and "trust" debtors and creditors. There are a number of transactions in the cash books which could either relate to purchases of goods or return of loan or trust monies, and we have had to rely on Mr. Rattan Singh or Mr. Shaffie to guide us in this connection and the resultant "write off" may not, in the absence of suitable supporting evidence, be acceptable to you. We set out below the items which have been written off and debited to contract purchases, for your information:-

City Garage	1952	2000.00	
Ganesa Ram	1948	300-00	
Pritam Singh Kalsi	1950	4000-00	
V.P. Mandal	1948	1600-00	
do	1949	1000-00	
Mohanlal Meghji	1949	2000-00	
Abass. Merchant	1950	532.53	
do	1952	2025-00	
D.V. Patel	1951	200-00	
K.P. Patel		1000-00	30
do	1953	525-00	
Phagwaria	1952	500-00	
S.M. Shaffie	1948	12252.95	
S.M. Shaffie	1949	5000-00	
S.M. Shaffie	1950	9000-00	
S.M. Shaffie	1953	2500-00	
Mohan Singh	1948	2000-00	
Kirpel Singh	1949	1050-00	
Kabhar Singh	1950	460-00	
	1951	17-85	40
	1952	3000-00	
Pritam Singh	1953	3000-00	
S.V.D. Furniture		3000-00	
Mart	1951	3000-00	
Ghanan Singh		1728-24	
do	1952	5301-25	
Siwa Singh	1952	2000-00	
M. Waljibhal	1951	600-00	

With regard to salaries and wages during the year under review, we have to report that in most cases Muster Rolls have not been produced to us in support of the amounts paid out.

Exhibits

Exhibit 2(c)

Investigation Report, Balance Sheet and Accounts 1st January 1948 to 31st December 1953

(Continued)

10

We set out below a summary of the position reflecting the total wages paid for each year to Asians and Africans and the corresponding totals of such Muster Rolls which have been produced resulting in an unaccountable balance each year. In the absence of proper books and records it is not possible for us to ascertain whether the payments made are in accordance with the number of persons employed or the amounts due to the employees of Mr. Rattan Singh:-

WAGES

Paid

Muster Rolls

	Asians	114787.07	Africans	Nil
	Africans	11100.00	Asians	82942-60
			Balance	42944-47
20		<u>125887.07</u>		<u>125887.07</u>
	Balance	42944-47	Africans	Nil
	Asians	52292.70	Asians	64133.18
	Africans	19273.31	Balance	60377.30
		<u>124510.48</u>		<u>124510.48</u>
	Balance	60377.30	African	9639-87
	Asians	132317-07	Asians	137403.96
	Africans	20500.00	Balance	66150.54
		<u>213194.37</u>		<u>213194.37</u>
30	Balance	66150.54	Africans	37150.33
	Asians	177322.10	Asians	163249-96
	Africans	41445.35	Balance	84517.70
		<u>284917.99</u>		<u>284917.99</u>
	Balance	64517.70	Africans	60438.31
	Asians	220532.80	Asians	-
	Africans	83686.24	Balance	328298-43
		<u>288736.74</u>		<u>388736.74</u>
40	Balance	328298.45	Africans	56479.34
	Asians	116800.21	Asians	-
	Africans	50996.97	Balance	439546-27
		<u>2968025.81</u>		<u>498025.61</u>

Balance unaccounted for Sh. 439,546.27

Exhibits

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(Continued)

Rentals 5. We have experienced considerable difficulty in reconstructing the rent roll in respect of the properties owned by Messrs. Rattan Singh & Gian Singh. In accordance with Schedule 'B' attached to the Report we have summarised what appears to us to be the rents due from the tenants each year from 1946 to 1953 inclusive. Against these items all cash received and adjustments for repairs have been made and after allowing for outstanding rentals at 31st December 1953, we have written off an amount of Sh 10266/35 in 1953, and which cannot be accounted for.

10

The reconciliation between the rents received reflected in the Profit and Loss Accounts and Schedule 'B' are as under :-

1948. Rents due as per Schedule 'B'	38526.16	
<u>Less due to Gian Singh</u>	<u>11726.00</u>	
	26800.16	
Plus Rents outstanding 31/12/47	4347.68	
As per Profit and Loss Account	<u>31147.84</u>	20
1949 Rents due as per Schedule 'B'	40382.49	
Less due to Gian Singh	<u>14520.00</u>	
As per Profit and Loss Account	<u>25862.49</u>	
1950 Rents due as per Schedule 'B'	44848.04	
Less due to Gian Singh	<u>14520.00</u>	
	30164.84	
Less paid by Advocate (per contra)	<u>3000.00</u>	
As per Profit and Loss Account	<u>27164.04</u>	
1951 Rents due as per Schedule 'B'	46574.54	
Less due to Gian Singh	<u>14520.00</u>	
As per Profit and Loss Account	<u>32154.54</u>	30
1952 Rents due as per Schedule 'B'	50061.87	
Less due to Gian Singh	<u>14520.00</u>	
As per Profit and Loss Account	<u>35541.87</u>	
1953 Rents due as per Schedule 'B'	56375.75	
Less due to Gian Singh	<u>15394.70</u>	
	40481-08	
Less written off	<u>10266.35</u>	
As per Profit and Loss Account	<u>30214.70</u>	

The outstanding rents at 31st December, 1953, have been agreed as follows:-

40

	<u>Rattan Singh</u>	<u>Gian Singh</u>	<u>Exhibits</u>
	J.L. Solamaly	1500-00	
	Salud u Din	4250-00	Exhibit 2(c)
	R.S. & R.B. Patel	275.00	
	A.G., G.A., & R. Patel	1050-00	Investigation
	E.A. Blanket Syndicate		Report,
	Atma Ram & Sons	520-00	Balance
	Haria Trading Co.		Sheet and
10	Shah Bros.		Accounts
	Maini & Patel	297.10	1st January
	Shah Lalji Kumbha		1948 to 31st
	D.L. Fernandes	120.00	December
	Mohan Singh	75.00	1953
	Plundol	720-00	<u>(Continued)</u>
		<u>8807-10</u>	
		<u>2540.85</u>	

20 Drawings 6. We attach hereto Schedule 'C' which reflects all personal items debited to Rattan Singh which, in our opinion, do not refer to business transactions. Certain of these items are under dispute but in the absence of any evidence to the contrary, we have made no adjustments.

Work in Progress, 1947.7. It would appear that the previous Accountant failed to make any provision for work in progress as at 31st December, 1947. In consequence of this the resultant profit in 1948 has been increased by what would appear to be receipts for work done in 1947, but received in January, 1948. The main items referred to are as under:-

30	3rd January 1948	Kenya Brahama Sabba	30,000.00
	3rd January 1948	Marula Estate	30,000.00
	17th January 1948	Sir John Ramsden	31,207-65
			<u>91,207.65</u>

We would suggest, therefore, that in assessing 1947 and 1948 these items be taken into account.

40 Conclusion 8. We have to report that subsequent to the decision by Mr. Rattan Singh to engage us to undertake this work on his behalf, we have received every assistance and co-operation necessary to complete our work which, in the absence of proper books and records has presented numerous difficulties.



Exhibits

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Subject to the above remarks we certify that, in our opinion, the Balance Sheets and Accounts covering period from 1st January, 1948, to 31st December, 1953, reflect a true and correct statement of affairs of the business according to our information and as shown by the books and records which were made available to us.

We are,

Yours faithfully,

Thian & Bellman.

10

RATTAN SINGH PROPERTIES

SCHEDULE 'A'

Exhibits

<u>NO.</u>	<u>Situation</u>	<u>Title</u>	<u>How Acquired</u>	<u>Date of Registration</u>	<u>Paid</u>	<u>Registered Name</u>	<u>Title Deeds Inspected</u>
1.	Sadler Street	L/R209/2439/8	Inherited	19.3.51	-	R. Singh	Yes
2.	Umtiazali Street	L/R209/1694	do	19.3.51	-	do	Yes
3.	Grogan Road	L/R209/136/36	Purchased	10.7.53	26,000/-	do	Yes
4.	Plot 2131 Blenheim Road	L/R209/2131	Inherited	19.3.51	-	do	Yes
5.	do Plot 2132	L/R209/2132	do	19.3.51	-	do	Yes
6.	Salisbury Lane	L/R74Bof422A/II	Purchased	3.2.41	1600/-	do	Yes
7.	6th Avenue Parklands	Not known	do	1947	15500/-	do	No
8.	Swamp Road	L/R209/163/3	do	6.3.42	12225/-	do	Yes
9.	Gulzaar Street	L/R2624	do	20.5.41	17000/-	G. Singh	Yes
10.	Mombasa	Plot 415	do	21.7.47	15000/-	R. Singh	No

Investigation Report, Balance Sheet and Accounts 1st January 1948 to 31st December 1953  
(Continued)

			RATTAN SINGH ESTIMATED RENTS					SCHEDULE B	Exhibits	
			1948	1949	1950	1951	1952	1953	Total	Exhibit 2(c)
	P.L. Maini - Maini & Patel.	Intiasali Street	2669-50	2760-00	2760-00	1632-00	1632-00	1097-50	13150-80	Investigation Report, Balance Sheet and Accounts, 1st January 1948 to 31st December 1953 (Continued)
	Kubal Singh	do.	100-00						100-00	
	Biant Singh	do.	480-00	1833-45	720-00	750-00			3783-45	
	Nagar Singh	do.			100-00	72	12-00	13-00	200-00	
	Dolit Singh	do.			18-00	216-00			234-00	
	Chanan Singh	do.			18-00				18-00	
	Sungara Singh	do.			21-00	216-00			237-00	
10	Santah Singh	do.				1200-00	750-00		1950-00	
	Mohan Singh	do.				900-00	900-00	900-00	2700-00	
	B.S. Nehra & Sons					400-00	250-00		650-00	
	Bhagan Singh	do.				68-00			63-00	
	Harislo	do.				2168-00	3300-00		6462-50	
	United Dairies	do.				500-00	816-00		1316-00	
	Lahore & Joshi	do.				54-00			54-00	
	Dara Singh	do.				68-00			68-00	
	Sohan Singh	do.				140-00			140-00	
	Pahor Singh	do.					700-00		700-00	
20	Champion Shoe Co.	do.					2250-00		2250-00	
	Bhatt Printing	do.						74-35	74-35	
	D.D. Pandit	do.						352-00	352-00	
	Lalubhai Shoe Store	do.								
	B.B. Trivedi	Plot 2131, Blenheim Road	1200-00						1200-00	
	Peter Book	do.	4223-00	4505-04	4505-04	4505-04	4917-87	4955-40	27611-39	
	D.F. Pandole	do.	1380-00	1380-60	1380-00	1380-00	1380-00		6000-00	
	Kamrudin	do.	1056-00	1056-00	1056-00				3168-00	
	K.B.S. Seth	do.	2250-00	2250-00	2250-00	2250-00	2340-00	2340-00	13680-00	
	G.E.J. Jiwani Dosag H. Arya	do.	1053-00	1056-00					2109-00	
30	R.R. Jaffar	do.	528-00	528-00	528-00	1252-00	1056-00		3872-00	
	J. Fernandra	do.	600-00	600-00	600-00				1800-00	
	Tara Chand	do.			1056-00	1056-00	1056-00		3168-00	
	Gian Singh	do.			540-00	540-00	540-00		1395-00	
	Mohinder Singh	do.			145-00	100-00	100-00	100-00	445-00	
	De Sousa Fernandes	do.					185-00	1440-00	1625-00	
	J.L. Solamalay	do.					1385-00	4500-00	5865-00	
	Jadavi Mulji	do.					150-00		150-00	
	B.D. Joshi	Salisbury Lane Parklands	3000-00		3000-00	3000-00			9000-00	
	D. Rifkin	do.	1741-50	1992-00	1992-00	1992-00	996-00		8723-30	
40	M.V. Patel	do.	1140-00	1200-00	1200-00	1200-00			4740-00	
	D.H. Kanna	do.			3000-00				3000-00	
	M.S. & R.B. Patel	do.					1300-00	3300-00	6600-00	
	A.C. & R.S. Patel	do.					700-00	4200-00	4900-00	
	Atma Ram & Sons	Swamp Road	5379-16	5496-00	5496-00	5496-00	5496-00	5806-00	35300-16	
	E.A. Blanket Syndicate	Gulzaar Street	3000-00	3060-00	3060-00	3060-00	3060-00	3493-50	18733-50	
	H.K. Shah	do.	2040-00	2304-00	2304-00	2304-00	2304-00	2476-80	13732-80	
	Shah Bros	do.	2128-00	2436-00	2436-00	2436-00	2436-00	3024-70	14896-20	
	Haria Trading Co.	do.	2128-00	2436-00	2436-00	2436-00	2436-00	2618-70	14490-70	
	S.K. Kumbha	do.	2430-00	4284-00	4284-00	4284-00	4284-00	4284-00	23850-00	
50	Salah ud Din	Parklands, 6th Avenue					1350-00	10800-00	12150-00	
			38526-16	40383-49	44896-04	41674-54	50061-87	56375-75	276704-85	

## SCHEDULE 'C'

ExhibitsRATTAN SINGH - DRAWINGS

Exhibit 2(c)

1948

Investigation  
Report,  
Balance Sheet  
and Accounts,1948

	Feb 25.	To Oriental Dairy	174-00	1st January 1948 to 31st
	Mar. 5.	To Insurance Personal	1618-00	December 1953
	" 5.	" Personal Tax	60-00	<u>(Continued)</u>
	" 8.	" Cash	1450-00	
	" 8.	" Soni Jannadas	417-00	
10	Apr. 7.	" Oriental Dairy	35-25	
	" 21.	" Shoes	40-00	
	" 27.	" Clothing	563-00	
	May 14.	" do.	315-00	
	July 14.	" Oriental Dairy	285-50	
	Aug. 16.	" United Dairies	38-40	
	Sept. 6.	" Income Tax	2899-00	
	Oct. 20.	" Record Changer	297-00	
	" 30.	" Oriental Dairy	463-25	
	" 30.	" Hammers, Dar-es-salaam	90-00	
20	Nov. 30.	" Tailor	50-00	
	" 30.	" Cash	550-00	
	Dec. 31.	" Cash	12000-00	
	" 31.	" Cash	10000-00	
	" 31.	" Light & Water for year	1920-00	
	" 31.	" Cash	293-89	
	Sept.10.	By Insurances, Bharat Ins.Co.	6179.91	
	Sept.30.	By Sale of Sewing Machine	200-00	
	Dec. 31.	By Balance as per Balance Sheet	<u>27295-38</u>	
			<u>33675-29</u>	<u>33675-29</u>

1949

		Debit	Credit	<u>Exhibits</u>
	1949			
	Jan. 31.	To Silver Glasses	129-75	Exhibit 2(c)
	Feb. 8.	" United Dairy	30-60	Investigation Report,
	" 8.	" Bharat Insurance Co.	1618-00	Balance Sheet and Accounts,
	" 9.	" Soni Jammadas.	2160-00	1st January 1948 to 31st
	" 7.	" Cash to India	45263-70	December 1953
	" 15.	" Oriental Dairy	126-00	<u>(Continued)</u>
	" 31.	" Tax, Gun Licence	70-00	
10	Apr. 19.	" Central Laundry	40-00	
	May 31.	" School Fees	8-00	
	Jun. 15.	" Oriental Dairy	118-25	
	July 29.	" Cash	15000-00	
	" 31.	" House Account	40-00	
	Aug.	do.	48-00	
	" 30.	" do.	222-50	
	Sept. 30.	" Kristna D.	197-50	
	" 30.	" House Account	40-00	
	" 5.	" Thos. Cook & Sons	2720-00	
20	" 5.	" do.	1044-35	
	Oct. 31.	" House Account	168-70	
	" 31.	" do.	2-60	
	Nov. 4.	" Cash to India	15000-00	
	" 8.	" Provision Store	55-00	
	" 8.	" Cash to India	15098-20	
	" 30.	" House Account	41-28	
	" 30.	" School fees	19-00	
	Dec. 10.	" Oriental Dairy	171-00	
	" 13.	" Income Tax	383-00	
30	" 31.	" House Account	30-00	
	" 31.	" Mohan L. Medjee	2000-00	
	" 31.	" Water & Light for House	1920-00	
	" 31.	By Oriental Dairy	285-50	
	" 31.	By Balance as per Balance Sheet	103979-93	
			<hr/>	
			104265-43	104265-43
			<hr/>	

1950

Exhibits

<u>1950</u>		<u>Debit</u>	<u>Credit</u>	<u>Exhibit 2(c)</u>
Jan. 5.	To tailor	881-60		Investigation Report,
" 18.	" Cash	27-30		Balance Sheet and Accounts,
" 22.	" Shooting	89-00		1st January 1948 to 31st
Feb. 1.	" Poll Tax	180-00		December 1953
" 17.	" Electric Light	43-00		<u>(Continued)</u>
" 17.	" Post Office	30-00		
" 21.	" Cash	106-58		
10 Mar.15.	" Cash	230-00		
" 15.	" Cash	7-60		
Apl.20.	" Cash	25.10		
" 30.	" Milk	244-30		
May 31.	" Cash	432-40		
Jun.18.	" Clothes	260-00		
" 20.	" Oriental Dairy	156-52		
" 30.	" Cash	61-20		
" 30.	" Wages	528-00		
Jly.23.	" Oriental Dairy	64-40		
20 " 29.	" Cash	43-30		
Sep.20.	" Milk	157-08		
Nov.25.	" Cash	5000-00		
Dec.30.	" Cash	30000-00		
" 30.	" Abass Merchant	532-53		
" 30.	" C.M. Joshi	230-95		
" 30.	" Water & Light for year	1920-00		
" 30.	" Grogan Road building	60000-00		
Apl.28.	By Refund cash		120-00	
Dec.31.	By Balance as per Balance Sheet		<u>101130-86</u>	
			<u>101250-86</u>	<u>101250-86</u>

30

1951

<u>1951</u>		<u>Debit</u>	<u>Credit</u>	<u>Exhibits</u>
Jan.15.	To Tailor	300-00		Exhibit 2(c)
Feb.28.	" Soni Jammadass	1064-40		Investigation Report,
Mar.16.	" Oriental Dairy	422-77		Balance Sheet and Accounts,
" 31.	" Teacher	100-00		1st January 1948 to 31st December 1953
Apl.14.	" Soni Jammadass	1512-14		<u>(Continued)</u>
May. 1.	" Cash	3059-00		
" 31.	" do.	24000-00		
Jun. 9.	" Motor Radio	908-43		
" 20.	" Bullows & Roy	3-00		
" 27.	" Oriental Dairy	145-00		
" 29.	" Soni Jammadass	229-00		
" 30.	" Watch	450-00		
Jly. 8.	" Teacher	200-00		
" 16.	" Fruit etc.	18-50		
Aug. 9.	" Tailor	373-00		
" 31.	" Buttons	227-50		
Sept.1.	" Income Tax	544-00		
" 11.	" Teacher	200-00		
" 24.	" Cash	555-00		
Oct.19.	" Carpet	160-00		
" 22.	" Grocer	700-55		
Nov. 1.	" Cash	5000-00		
" 7.	" Laundry	48-50		
" 12.	" Teacher	200-00		
" 23.	" Oriental Dairy	287-50		
" 25.	" Bill Karamshi	703-18		
" 24.	" Cash	5000-00		
" 30.	" Bill India	19-00		
Dec. 1.	" Wireless Licence	30-00		
" 4.	" Cash	5000-00		
" 20.	" do.	5000-00		
" 31.	" Shoemaker	55-00		
" 31.	" Ornaments.	100-16		
" 31.	" Oriental Dairy.	63-23		
" 31.	" Rents etc.	545-50		
" 31.	" S.V. Patel	200-00		
" 31.	" Water & Light	1920-00		
" 31.	" Cash	5007-00		
" 31.	By cash		20383.24	
" 31.	" C.M. Joshi		660-10	
" 31.	" Balance as per Balance Sheet		<u>44619-02</u>	
		<u>65662-36</u>	<u>65662-36</u>	

1952

		<u>Debit</u>	<u>Credit</u>	<u>Exhibits</u>
	1952			Exhibit 2(c)
	Jan. 7.	To teacher	200-00	
	" 12.	" Calendar	19-30	Investigation
	" 14.	" 4 cases butter	600-00	Report,
	" 20.	" Cash	1020-00	Balance Sheet
	Feb. 29.	" 2 Bottles Whisky	50-10	and Accounts
	Mar. 6.	" Teacher	200-00	1st January
	Apl. 3.	" Cash	5000-00	1948 to 31st
10	May 6.	" Laundry	102-00	December
	" 14.	" Tailor	925-00	1953
	" 27.	" Table & Iron	315-00	<u>(Continued)</u>
	" 30	" Radio	535-00	
	Jun. 18.	" Ornaments	1005-00	
	" 30.	" Cloth	345-00	
	Jly. 7.	" Income Tax	2239-00	
	" 9.	" Wrist Watch	230-00	
	Aug. 6.	" do.	530-00	
	" 30.	" Cash	400-00	
20	Sep. 5.	" Shoemaker	76-00	
	Oct. 8.	" Oriental Dairy	716-06	
	" 8.	" Expenses	167-00	
	" 2.	" Cash	574-56	
	" 9.	" Pistol	300-00	
	" 22.	" Cash	122-88	
	Nov. 9.	" Architect	2500-00	
	Dec. 25.	" Teacher	240-00	
	" 17.	" Wrist Watch	350-00	
	" 31.	" Laundry	65-00	
30	" 31.	" Cash	5000-00	
	" 31.	" Abass Merchant	2025-00	
	" 31.	" Water & Light for year	1920-00	
	Mar. 26.	By Sale Radio		157-00
	Aug. 7.	Cash		5000-00
	Dec. 31.	C.M. Joshi		1032-97
	" 31.	Balance as per Balance Sheet		22132-43
			26322-40	28322-40



1953

		<u>Debit</u>	<u>Credit</u>
	<u>1953</u>		<u>Exhibits</u>
			Exhibit 2(c)
	Jan. 3.	To cash	125-00
	" 3.	" Radio Licence	30-00
	" 15.	" Bird Cage	42-50
	" 6.	" Ornaments	586-88
	" 31.	" Cash	800-00
	Feb.21.	" Cash to India	15100-00
10	" 21.	" Ornaments	450-49
	" 27.	" Cash	260-00
	" 27.	" do.	1000-00
	" 27.	" Suit	400-00
	Mar.10.	" Pistol	192-00
	" 10.	" Shoes	106-00
	" 15.	" Cycles	115-00
	" 13.	" Oriental Dairy	353-83
	" 14.	" School fees	70-00
	" 14.	" Cloth	252-00
20	" 14.	" Cash	400-00
	" 18.	" Cash to India	15100-00
	" 23.	" Repairs	55-00
	Apl.16.	" Poll Tax	280-00
	" 16.	" Cash	500-00
	" 16.	" Cash	500-00
	" 29.	" Cash	650-00
	May 1.	" School fees	70-00
	" 5.	" Chemicals	175-00
	" 5.	" Cash	170-00
30	" 9.	" Sweets	278-00
	" 9.	" Suit	300-00
	" 19.	" Cash	5000-00
	Jun.17.	" do.	225-00
	" 23.	" Tailor	260-00
	" 23.	" Oriental Dairy	324-35
	" 23.	" Invitation Cards	140-00
	" 27.	" Sweets	369-00
	" 29.	" Cash	2000-00
	Jly.10.	" School Fees	70-00
40	" 18.	" Tailor	120-00
	Aug.18.	" Cash	1000-00
	" 1.	" Cash	3000-00
	" 1.	" Case Whisky	300-00

C/F

Exhibits

		1953	Debit	Credit	Exhibit 2(c)
					Investigation Report,
					Balance Sheet and Accounts
					1st January 1943 to 31st
					December 1953
					<u>(Continued)</u>
		B/F			
	Aug. 4	To Central Laundry	76-50		
	Sept.2.	" Oriental Dairy	444-50		
	" 22.	" Tailor	790/-		
	" 26.	" Cash	1000-00		
	" 26	" do.	25000-00		
10	Oct.24.	" do.	3000-00		
	Nov.15.	" Fernandes	145-00		
	" 14.	" School Fees	90-00		
	" 27.	" 3 Cases Liquor	856-00		
	" 30.	" Shoes	36-00		
	" 30.	To cash	5000-00		
	Dec.23.	" Cash	1000-00		
	" 31.	" Oriental Dairy	34-00		
	" 31.	" Cash to India	600-00		
	" 31.	" School fees	70-00		
20	" 31.	" Telephone	40-00		
	" 31.	" Radio Repairs	270-00		
	" 31.	" Water & Light for year	1920-00		
	" 31.	" $\frac{3}{4}$ cost of building house at Parklands	30000-00		
	" 31.	" Cash	2555-50		
	May.15.	By cash		418-00	
	Dec.31.	By Best Boot		148-00	
	" 31.	By C.M. Joshi		132-02	
	" 31.	By advances to Moshi Branch		12451-00	
30	" 31.	By Travelling allowance to Moshi		7000-00	
	" 31.	By Balance as per Balance Sheet		103978-82	
			<hr/>	<hr/>	
			124137-84	124127-84	
			<hr/>	<hr/>	

SCHEDULE 'A' Exhibits

RATTAN SINGH

Exhibit 2(c)

Trading as Nagina Singh Contractors

Investigation  
Report,  
Balance Sheet  
and Accounts,  
1st January  
1948 to 31st  
December 1953  
(Continued)

Sundry Creditors as at 31st December, 1948

Arya Nivas	5000-00
Thian & Bellman	2500-00
D.N. & R.H. Khanna	235.75
Nile Industrial Engineers	2500-00
Shukla	30000-00
10 Kartar Singh	1000-00
Trade Creditors	10818-72
Salaries & Wages	7500.00
	-----
	59554-95
	-----

SCHEDULE 'B'

Sundry Debtors as at 31st December, 1948

New Timber & Hardware	5000-00
Rent Debtors	6064-85
	-----
	11064-85
	-----

RATTAN SINGH

Trading as Nagina Singh Contractors  
Balance Sheet as at 31st December 1948

Exhibits

Exhibit 2(c)

Investigation  
Report, Balance  
Sheet and  
Accounts 1st  
January, 1948  
to 31st  
December 1953  
(Continued)

<u>Capital Account:</u>	524891.17	<u>Cash</u>		141844-92
Balance at 1st January, 1948	186206.25	On Hand	756-55	
Add: Profit for year	<u>165980.30</u>	National Bank of India Ltd.	51748-77	
	352186-55	Barclays Bank, (D.C.O.),		
10 Less: Drawings	<u>27295-38</u>	Estate Account	81244-50	
		Barclays Bank, (D.C.O.),		
		Personal Account	<u>28094-90</u>	
		<u>Deposits</u>		46100-00
		On contracts	100-00	
		Fixed, with National Bank of		
		India Ltd.	<u>46000-00</u>	
<u>Sundry Creditors</u>	69345.45	<u>Sundry Debtors</u>		
As per Schedule 'A'		As per Schedule 'B'		11064-85
Gian Singh, Rents	11726-00			
Less: Drawings	<u>1935.00</u>	<u>Stock on Hand</u>		20000-00
	<u>9791-00</u>	As certified by the Management.		
		<u>Work-in-progress</u>		50000-00
		As certified by the Management		
		<u>Motor Vehicles</u>		5100.00
		Balance	6800-00	
		Less: Depreciation	<u>1700-00</u>	
		<u>Plant &amp; Machinery</u>		918-00
		Balance	1080-00	
		Less: Depreciation	<u>162-00</u>	
Sd: Rattan Singh		<u>Land &amp; Buildings</u>		119208-85
-----		As per previous account		
	<u>394236-62</u>			<u>394236-62</u>
30				

Approved subject to our report of even date, addressed to the Commissioner of Income Tax.

Nairobi  
15th November, 1956.

Thian & Bellman,  
Incorporated Accountants.

RATTAN SINGH

Trading as Nagina Singh contractors

Trading and Profit and Loss Account for the year ended 31st December 1948

	To Stock		3502-00		
	" Purchases	491778-65		By Contracts and Sale	
	" Salaries & Wages	133387-07		By Work in Progress	50000-00
	" Transport	20445.69		By Stock on Hand, at 31st December, 1948	<u>20000-00</u>
	" Travelling Expenses	7320.11			752904-04
	" Repairs to Plants & Vehicles	4205-71			
10	" Rations	3744-18			70000-00
	" Power & Light	4859-84			
		<u>665739-23</u>			
	" Gross Profit carried down		153662-81		
			<u>822904-04</u>		
					<u>822904-04</u>
	To Audit Fees	2500-00			
	" Bank charges	410-90			
	" Commissions	875-00		By gross profit brought down	153663-81
	" Donations	202-00		" Interest	931-18
20	" Insurance	1213-00		" Rents from properties	31147-84
	" Licences	913-00			
	" Legal Expenses	5161-28			
	" Medical Expenses	500-00			
	" Office Expenses	292-20			
	" Printing & Stationery	205-00			
	" Rates & Taxes	378-90			
	" Telegrams, Telephones & Postages	388-40			
	" Water & Light	<u>4859-85</u>	17899-55		
	" Depreciation				
	Motor Vehicles 25%	1700-00			
30	Plant & Machinery 15%	162-00	1862-00		
	" Net Profit		<u>165980-30</u>		
			<u>185741-85</u>		<u>185741-85</u>

Exhibits

Exhibit 2(c)

Investigation  
Report, Balance  
Sheet and  
Accounts  
1st January, 1948  
to 31st  
December 1953  
(Continued)

RATTAN SINGH

Trading as Nagina Singh Contractors

Balance Sheet as at 31st December, 1949

Exhibits

Exhibit 2(c)

Investigation  
Report, Balance  
Sheet and  
Accounts 1st  
January, 1948  
to 31st  
December 1953  
(Continued)

	<u>Capital Account</u>	300543.99	<u>Cash</u>	124536.54
	Balance at 1st January, 1948	324891.17	On Hand	756.75
	Add; Profit for year	<u>79732.75</u>	National Bank of India Ltd.	26148.00
		404623.92	Barclays Bank D.C.O. Estate Account	34479.62
10	Less: Drawings	<u>103979.93</u>	Barclays Bank D.C.O. Personal Account	<u>63152.17</u>
			<u>Deposits</u>	62600-00
			On Contracts	16660-00
			Fixed at The National Bank of India Limited.	<u>46000-00</u>
	<u>Sundry Creditors</u>	83834.34	<u>Sundry Debtors</u>	
	As per Schedule 'A'	62429.00	As per Schedule 'B'	16406.94
	Gian Singh, Rents	26246.00	<u>Stock on Hand</u>	20000.00
	Less: Drawings	<u>4841.00</u>	As certified by the Management.	
20		<u>21403.00</u>	<u>Work in Progress</u>	15000.00
			As certified by the Management	
			<u>Motor Vehicles</u>	9450.00
			Balance	5100.00
			Purchased during the year	<u>7500-00</u>
				12600-00
			Less: Depreciation	<u>3150.00</u>
			<u>Plant &amp; Machinery</u>	16776.00
			Balance	918-00
			Purchases during the year	<u>18818.55</u>
30				19736.55
			Less: Depreciation	<u>2960.35</u>
			<u>Land &amp; Buildings</u>	119708.85
			Balance	119208.85
			Purchases during the year	<u>500.00</u>
		<u>384478.33</u>		<u>384478.33</u>

Approved subject to our report of even date, addressed to the Commissioner of Income Tax.

Nairobi  
15th November, 1956.

sd. Thian & Bellman  
Incorporated Accountants.

RATTAN SINGH

Trading as Nagina Singh Contractors

Trading and Profit & Loss Account for the year ending 31st December, 1949

	To Stock on hand as at 1st January, 1949	20000.00		By contracts & Sales	316619.57
	" Work in progress	<u>50000.00</u>	70000.00		
	" Purchases	116790.64		By Work in progress	15000.00
	" Salaries and wages	80066.01		By Stock on Hand at 31st December,	
	" Transport	8084-75		1949	20000.00
	" Repairs to Plant	1696.00			35000.00
10	" Rations	493.88			
	" Power, Water & Light	<u>4097.70</u>	211228.98		
	" Gross Profit carried down		70390.59		
			<u>351619.57</u>		<u>316619.57</u>
	To Audit fees	3100.00		By gross profit brought down	70390.59
	" Bank charges	164.35		" Interest	460.00
	" Donations	200.00		" rents	25862.49
	" Entertainment	75.26			
	" Insurance	311.00			
	" Licences	893.00			
20	" Legal Expenses	1234.00			
	" Medical Expenses	198.00			
	" Office Expenses	184.80			
	" Telephones, Telegrams & Postages	412.17			
	" Water & Light	<u>4097.70</u>	10869.78		
	" <u>Depreciation</u>				
	Motor Vehicles 25%	3150-00			
	Plant & Machinery 15%	<u>2960.55</u>	6110.55		
	" Net Profit		79732.75		
			<u>96713.08</u>		<u>96713.08</u>

Exhibits

Exhibit 2(c)

Investigation Report, Balance Sheets and Accounts 1st January, 1948 to 31st December 1953  
(Continued)

RATTAN SINGH

Trading as Nagina Singh Contractors

Schedule of Sundry Creditors as at 31st December, 1949

	<u>SCHEDULE 'A'</u>
Arya Nivas	5000-00
Nile Industrial Engineers	5000-00
Shukla	30000-00
Karter Singh	1000-00
Thian & Bellman	5000-00
10 Sundry Trade Creditors	10429-34
Salaries & Wages	6000-00
	<hr/>
	62429.54
	<hr/>

SCHEDULE 'B'

Sundry Debtors as at 31st December, 1949

Mohamed Khan	750-00
D.N. & R.H. Khanna	3697-27
New Timber & Hardware	5000-00
Rent Debtors	6959-67
	<hr/>
	16406-94
	<hr/>

Exhibits

Exhibit 2(c)

Investigation  
Report,  
Balance Sheet  
and Accounts  
1st January  
1948 to 31st  
December  
1953

(Continued)



RATTAN SINGH

Trading as Nagina Singh Contractors  
Balance Sheet as at 31st December.1950

Exhibits

Exhibit 2(c)  
Investigation  
Report, Balance  
Sheets and  
Accounts 1st  
January, 1948  
to 31st  
December 1953  
(Continued)

	235543.42		79153.35
<u>Capital Account</u>		<u>Cash</u>	
Balance at 1st January, 1950	300643.99	On Hand	2665.21
Add: Profit for the year	<u>36030.29</u>	National Bank of India Ltd.	33608.76
	336674.28	Barclays Bank D.C.O.	
		Estate Account	14802.18
10 Less: Drawings	<u>101130.86</u>	Barclays Bank D.C.O.	
		Personal Account	<u>28077.20</u>
			47900.00
		<u>Deposits</u>	
<u>Sundry Creditors</u>	119251.71	On contracts	1900.00
Trade, as per schedule 'A'	93564.71	Fixed, with National Bank of	
Gian Singh 40766-00		India Ltd.	<u>46000.00</u>
Less: Drawings 15079-00	<u>25687.00</u>		
		<u>Sundry Debtors</u>	21461.48
		As per Schedule 'B'	
		<u>Stock on Hand</u>	20000.00
		As certified by the Management.	
		<u>Work in Progress</u>	35000.00
		As certified by the Management.	
		<u>Motor Vehicles</u>	7088.00
		Balance	9450.00
		Less: Depreciation	<u>2362.00</u>
		<u>Plant &amp; Machinery</u>	19403.00
		Balance	16776.00
		Additions during year	<u>6050.00</u>
			22826.00
		Less: Depreciation	<u>2423.00</u>
		<u>Land &amp; Buildings</u>	124789.30
		Balance	119708.85
		Purchase during year	<u>5080.45</u>
	<u>354795.13</u>		<u>354795.13</u>

sd: Rattan Singh

Approved, subject to our report of even date, addressed to the Commission of Income Tax.

NAIROBI  
15th November, 1956.

sd: Thian & Bellman.  
Incorporated Accountants

RATTAN SINGH

Trading as Nagina Singh Contractors

Trading and Profit & Loss Account for the year ended 31st December, 1950

Exhibits

Exhibit 2(c)

Investigation  
Report, Balance  
Sheets and  
Accounts 1st  
January 1948  
to 31st  
December 1953  
(Continued)

	To Stock on Hand 1st January 1950	20000-00		By contracts & sales	439472.60
	" Work in progress	<u>15000-00</u>	35000.00	" Work in progress	35000.00
	" Purchases	299169.51		" Stock on Hand at 31st December, 1950	<u>20000.00</u> 50000.00
	" Salaries & Wages	160817.07			
	" Transport	14298.94			
	" Repairs	298.50			
10	" Rations	1547.11			
	" Power Light and Water	<u>4905.30</u>	481036.43		
	" Gross Profit carried down		28436.17		
			<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
			544472.60		544472.60
			<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
	To Audit fees	2500-00		By gross profit brought down	28436.17
	" Advertising	300-00		" rents	271764.04
	" Bank charges	138-75		" interest	460.00
	" Donations	116.00			
	" Insurance	1511.43			
	" Licences	865.50			
20	" Legal Expenses	2441.14			
	" Medical Expenses	300-00			
	" Office expenses	695.25			
	" Printing and Stationery	117.20			
	" Telephones, Telegrams & Postages	354.34			
	" Water & Light	<u>4905.31</u>	14244.92		
	" Depreciation				
	Motor Vehicles      25%	2362.00			
	Plant & Machinery   15%	<u>3423.00</u>	5785.00		
	" Net Profit		36030.29		
			<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
			56060.21		56060.21
			<hr style="width: 100%;"/>		<hr style="width: 100%;"/>

RATTAN SINGH

Exhibits

Trading as Nagina Singh Contractors

Exhibit 2(c)

Sundry Creditors as at 31st December, 1950

Investigation  
Report,  
Balance Sheet  
and Accounts,  
1st January  
1948 to 31st  
December  
1953

SCHEDULE 'A'

Arya Nivas	6600-00
Nile Industrial Engineers	1000-00
Shukla	30000-00
Kartar Singh	1000-00
Thian & Bellman	7500-00
10 Sundry Trade Creditors	33464-71
Salaries & Wages	14000-00
	<hr/>
	93564.71
	<hr/>

(Continued)

SCHEDULE 'B'

Sundry Debtors as at 31st December, 1950

Mohamed Khan	750-00
D.N. & R.N. Khanna	1073.28
New Timber & Hardware	8000-00
Rent Debtors	11638-20
	<hr/>
	21461-48
	<hr/>

RATTAN SINGH

Trading as Na ina Singh Contractors

Balance Sheet as at 31st December, 1951

Exhibits

Exhibit 2(c)

Investigation  
Report and  
Balance Sheets  
and Accounts  
1st January 1948  
to 31st  
December 1953  
(Continued)

	<u>Capital Account</u>	155815.34	<u>Cash</u>	9417.92
	Balance at 1st January, 1951	235543.2	National Bank of India Ltd.	14924.85
	Less:		Barclays Bank D.C.O. Estate Account	132.78
	Loss for year	35107-56	Barclays Bank D.C.O. Personal	2996.84
	Drawings	<u>44619-02</u> 79726.58	Account	<u>18054.47</u>
10			Less: Cash overdrawn	<u>8636.55</u>
	<u>Sundry Creditors</u>	233574.28	<u>Deposits</u> On Contracts	95400.00
	As per Schedule 'A'	178288.28	<u>Stock on Hand</u>	
	Gian Singh's Rents	<u>55286.00</u>	As certified by the Management.	20000.00
			<u>Work in Progress</u>	68000.00
			As certified by the Management	
			<u>Motor Vehicles</u>	5316.00
	sd: RATTAN SINGH		Balance	7088.00
			Less: Depreciation	<u>1772.00</u>
20			<u>Plant &amp; Machinery</u>	18405-00
			Balance	19403.00
			Additions during year	<u>2250.00</u>
				21653.00
			Less: Depreciation	<u>3248.00</u>
			<u>Land &amp; Buildings</u>	124789.30
		<u>389391.12</u>		<u>389391.12</u>

Approved, subject to our report of even date, addressed to the Commissioner of Income Tax

Nairobi  
15th November, 1956.

sd: Thian & Bellman  
Incorporated Accountants.

RATTAN SINGH

Trading as Nagina Singh Contractors

Trading and Profit & Loss Account as at 31st December 1951

	To Stock on Hand 1st January 1951	20000-00			
	" Work in progress	<u>35000-00</u>	55000-00	By Contracts & Sales	637342.37
	" Purchases	435390.57		" Stock on Hand 31st December, 1951	20000-00
	" Salaries & Wages	224270.00		" Work in progress	<u>68000.00</u> 88000.00
	" Transport charges	31143.07		" Gross Loss carried down	32689.81
10	" Repairs	615.00			<hr/>
	" Rations	5990.20	<u>703032-18</u>		758032.18
	" Power, Water & Light	<u>5623.34</u>	758032.18		<hr/>
					32154.54
	To Gross Loss Carried down		32689.81	By Rent	
	" Audit Fees	2500-00		" Interest	460.00
	" Bank charges	250.65		" Net Loss	35107.56
	" Donations	2602.00			<hr/>
	" Insurance	865.85			67722.10
	" Licences	728.00			<hr/>
	" Legal Expenses	13212.83			
20	" Medical Expenses	1280.00			
	" Office Expenses	1434.37			
	" Printing & Stationery	897.75			
	" Telephones, Telegrams & Postages	617.39	30012.29		
	" Light & Water	<u>5623.45</u>			
	" Depreciation				
	Motor Vehicles      25%	1772.00			
	Plant & Machinery	<u>3248.00</u>	5020.00		
			<hr/>		
			67722.10		
			<hr/>		

Exhibits

Exhibit 2(c)

Investigation Report, and Balance Sheets and Accounts 1st January 1948 to 31st December 1953  
(Continued)

SCHEDULE 'A' Exhibits

Exhibit 2(c)

RATAN SINGH

Trading as Nagina Singh Contractors

Sundry Creditors as at 31st December, 1951

Investigation  
Report,  
Balance Sheet  
and Accounts  
1st January  
1948 to 31st  
December  
1953  
(Continued)

Arya Nivas	6600-00
R. Kaner	30000-00
D.N. & R.N. Khanna	1506-45
Nile Industrial Engineers	6200-00
Karter Singh	4400-00
10 Gian Singh	3885-33
Thian & Bellman	10000-00
Shukla	55480-00
Trade Creditors	40713-95
Salaries & Wages	19502-55
	<hr/>
	178286-28
	<hr/>

SCHEDULE 'B'

Sundry Debtors as at 31st December, 1951

Moham Khan	750-00
New Timbers & Hardware	7000-00
20 Rent Debtors	9512-90
Lakha Singh	30000-00
Shiv Singh	800-00
	<hr/>
	48062-90
	<hr/>

RATTAN SINGH

Trading as Nagina Singh Contractors

Balance Sheet as at 31st December, 1952

	<u>Capital Account</u>	323876.28		<u>Cash</u>	228913.92
	Balance at 1st January, 1952	155816.84		National Bank of India Ltd.	155385.76
	Add: Profit for year	<u>190191.87</u>		Barclays Bank D.C.O. Estate Account	126.78
		346008.71		Barclays Bank D.C.O. Personal	Account <u>74503.28</u>
	Less: Drawings	<u>22132.45</u>			<u>230015.82</u>
10	<u>Sundry Creditors</u>	148959.14		Less: Cash overdrawn	<u>1101.90</u>
	As per Schedule 'A'	113835.31		<u>Deposits</u> On contract	9200-00
	Gian Singh's Rent	69806-00		<u>Sundry Debtors</u>	60702.20
	Less: Drawings	<u>34682.17</u>		As per Schedule 'B'	
		<u>35125.83</u>		<u>Stock on Hand</u>	
				As certified by the Management.	20000.00
				<u>Motor Vehicles</u>	13587.00
20				Balance	5316.00
	sd: RATTAN SINGH			Purchase during the year	<u>12800.00</u>
					18116.00
				Less: Depreciation	<u>4529.00</u>
				<u>Plant &amp; Machinery</u>	15643.00
				Balance	18405.00
				Less: Depreciation	<u>2762.00</u>
				<u>Land &amp; Buildings</u>	124789.30
		<u>472835.42</u>			<u>472835.42</u>

Approved, subject to our report of even date, addressed to the Commissioner of Income Tax

sd: Thian & Bollman  
Incorporated Accountants

Nairobi  
15th November, 1956.

Exhibits  
Exhibit 2(c)  
Investigation  
Report, Balance  
Sheets and  
Accounts 1st  
January 1948  
to 31st  
December  
1953  
(Continued)

RATTAN SINGH s/o NAGINA SINGH

Trading as Nagina Singh Contractors

Trading and Profit & Loss Account for the year ended 31st December, 1952

Exhibits

Exhibit 2(c)

Investigation  
Report,  
Balance Sheets  
and Accounts  
1st January  
1948 to 31st  
December  
1953  
(Continued)

	To stock on Hand 1st January, 1958	20000.00					
	" Work in progress	68000.00	88000.00		By contracts & Sales	1492676.89	
	" Purchases	883015.42			" Stock on Hand at 31st December 1952	20000.00	
	" Salaries & Wages	295370.23					
	" Transport	47591.50					
	" Repairs	177.00					
10	" Rations	6290.64					
	" Power Light & Water	<u>6655.01</u>	1239098.80				
	" Gross Profit carried down		<u>185578.09</u>				
			<u>1512676.89</u>			<u>1512676.89</u>	
	To Audit Fees	3200.00			By Gross Profit b/d	185578.09	
	" Advertising	337.00			" Rents	35541.87	
	" Bank Charges	147.64					
	" Donations	5.00					
	" Insurance	2207.18					
	" Licences	925.50					
20	" Legal Expenses	6104.65					
	" Medical Expenses	370.00					
	" Office Expenses	1744.15					
	" Printing & Stationery	933.05					
	" Telephone, Telegrams & Postages	1007.91					
	" Water & Light	<u>6655.01</u>	23637.09				
	" Depreciation						
	Motor Vehicles 25%	4529.00					
	Plant & Machinery 15%	<u>2762.00</u>	7291.00				
	" Net Profit		<u>190191.87</u>				
30			<u>221119.96</u>			<u>22119.96</u>	



RATTAN SINGH

Trading as Nagina Singh Contractors

Trading and Profit & Loss Account for the year ending 31st December 1953

	To Stock on Hand at 1st January 1953		20000-00	By Contracts & Sales		784058.75
	To Purchases	666454.17		" Stock on Hand at 31st December 1953	20000-00	
	" Salaries & Wages	184824.18		" Work in progress	<u>120000-00</u>	140000.00
	" Transport	48086.57		" Gross Loss carried down		5851.99
	" Repairs	816.50				<u>929910.72</u>
10	" Rations	2678.15				
	" Power, Light & Water	<u>7051.15</u>	<u>909910-72</u>			
			<u>929910.72</u>			
	To Gross Loss carried down		5851.99	By Net Profit - Moshi contract		5227.42
	" Audit fees	2500-00		" Rents		30214.70
	" Bank charges	2053.00		" Net Loss		2510.41
	" Donation					
	" Insurance	1216.01				
	" Licences	1845.00				
	" Legal Charges	8352.84				
	" Medical Expenses	889.00				
20	" Office Expenses	794.73				
	" Printing & Stationery	326.85				
	" Telegrams, Telephones & Postages	870.70				
	" Water & Light	<u>7051.16</u>	26075.54			
	" Depreciation					
	Motor Vehicles 25%	3397.00				
	Plant & Machinery 15%	2529.00				
	Office Equipment 10%	<u>99.00</u>	6025.00			
			<u>37952.53</u>			<u>37952.53</u>

Exhibits

Exhibit 2(o)

Investigation  
Report,  
Balance Sheets  
and Accounts  
1st January  
1948 to 31st  
December  
1953  
Continued

RATTAN SINGHExhibitsTrading as Nagina Singh Contractors

Exhibit 2(c)

Sundry Creditors as at 31st December, 1953Investigation  
Report,  
Balance Sheet  
and Accounts,  
1st January  
1948 to 31st  
December,  
1953  
(Continued)

	<u>SCHEDULE 'A'</u>
Nile Industrial Engineers	6200-00
Arya Nivas	6600-00
R. Kaner	30000-00
Shukla	20480-00
Kartar Singh	4400-00
10 Hagar Singh	7800-00
Thian & Bellman	15000-00
Trade Creditors	44293.73
Salaries & Wages	27750.74
	<hr/>
	162524-47

SCHEDULE 'B'Sundry Debtors as at 31st December, 1953

Mohamed Khan	750-00
City Garage	7950-34
N. Kurji	500-00
20 Ghanan Singh	1704-50
Kashmir Lall	108000-00
E. Hollander	716
D.H. & R.N. Khanna	326-32
New Bharat & Hardware	15300-00
Lakha Singh	31129.31
Rent Debtors	8807.10
	<hr/>
	175183.97
	<hr/>

RATTAN SINGH

Trading as Nagina Singh Contractors - MOSHI BRANCH

Trading and Profit & Loss Account for period 8th June to 31st December, 1953

Exhibits

Exhibit 2(c)

Investigation Report, Balance Sheets and Accounts 1st January 1948 to 31st December 1953  
(Continued)

	To Salaries & Wages	57680.00		By Money received on Contract	149100-00	
	" Transport & Motor Vehicle Expenses	8501.48		" Work in progress	<u>40000-00</u>	
	" Travelling Expenses	8965.00			189100-00	
	" Rations	473.00				
	" Rent & Water	1700-00		Less Purchases	96462-22	
	" Bank charges	91.75		Sub-Contractor	<u>8800-00</u>	83837.78
10	" Insurance	<u>330-00</u>	77741-36			
	" Depreciation, Motor Vehicles		689-00			
	" Net Profit		<u>5227.42</u>			
			<u>83837.78</u>			<u>83837.78</u>

BALANCE SHEET AS AT 31st DECEMBER 1953

	<u>Head Office Account</u>	75150.17		<u>Cash at Banks</u>	47745.80	
	Cash advanced	44000.00		National Bank of India Limited		
	Goods supplied	6471-75		(Nagina Singh)	32491-08	
	Profit for the period	5227-42		National Bank of India Limited		
	Rattan Singh	<u>19451.00</u>		(Bhagan Singh)	<u>15254.72</u>	
20	<u>Sundry Creditors</u>	26526.63		<u>On Deposit</u>	1000-00	
	Shariff Hassam	3800-00		E.A. Railways & Harbours		
	Bhagan Singh	8400-00		<u>Work in Progress</u>	40000-00	
	Service Mart	868-00		As certified by the Management.		
	Davis S.	365-00		<u>Motor Vehicle</u>	13031.00	
	Sulezali Garage	949-93		Purchased during the year	13900-00	
	Gailry & Roberts	1743-70		Less: Depreciation	<u>369.00</u>	
	Kirpal Singh	<u>10500-00</u>				
30			<u>101776.80</u>			<u>101776.80</u>

sd: Rattan Singh

Approved, subject to our report of even date, addressed to the Commissioner of Income Tax

sd: Thian & Bellman

Incorporated Accountants.

Nairobi  
15th November, 1956.

Bill of Costs of  
Messrs. D.N. & R.N. Khanna

Exhibit 7

In Accounts with D.N. & R.N. Khanna, Advocates, P.O. Box  
1197, Nairobi.

Bill of Costs  
of Messrs.  
D.N. & R.N.  
Khanna 1st  
September  
1954

1st September, 1954.

Mistry Nagina Singh,  
Nairobi.

		Dr.	
	<u>1947</u>		
10	Mar.28 To court fee C.C. 113/47 Govind Karsam	59.00	
	Apr.29 " Letter demand S.R. Kapila	10-00	
	May.14 " Taxation Court fee	15-00	
	30 " letter of demand Babu Khan	5-00	
	Jun.13 " Bill of costs c.c. 113/47 Govind Karsam	488-50	
	Jul.16 " Court fee execution do	22-00	
	" our fee do	46-00	
	Aug.22 " letter of demand to Hasham C. Nanji and A. Sultan K.	15-00	
20	Sep.1 " Court fee E/A c.c. 1460/47, Kounverji	2-00	
	" our fee do	15-00	
	" court fee E/A. C.C. 1461 Premji	2-00	
	our fee do	15-00	
	" court fee E/A. C.C. 1462/47 Ratna	2-00	
	" our fee do	15-00	
	" court fee, " C.C. 1483/47 Karsan	2-00	
	" our fee,	15-00	
	By Court C.C. 113/47 Govind Hassan		4363-17
30	Oct.2. To search fee	2-00	
	" our agreed fee C.C. 113/47	214-25	
	" cheque to your	3485-00	
	9. " court fee 1653/47 Babu Khan	14-00	
	" our fee	60-00	
	16. " letter of demand to Newal on 9.10.47	5-00	
	16. " search fee re: Jawala Singh & Co.	2-00	
	30. " letter of demand and letter in reply on 4.10.47	15-00	
40	" " Jawala Singh	10-00	
	" letters to Hasham & Jawala Singh,	12-50	
Nov.6.	" letter to Hasham	10-00	
	10. By Babu Khan on a/c C.C. 1656/47		289-50
	21. By Hasham C. Nanj.		5388-66
	22. To cheque to you	5388-66	
	26. To letter of demand to Major Roberts, Yeger & Modern Furniture	15-00	
	27. To court fee S.C.C.C. 4019/47 Jawala Singh	64-00	
	" our fee,	30-00	
50	" paid court fee c.c. 2059/47 Jawala Singh	16-00	
	" court fee c.c. 2089/47	8-00	

c/over  
1483.

10127-91 10041-33

Exhibits

		B/fwd.	10127.91	10041-33	Exhibit 7
Nov.27	To our fee c.c. 2060/47	Newall	30-00		Bill of Costs
Dec. 1	By Babu Khan			289-50	of Messrs.
9	" Jawal Singh C.C. 2059/47			792-00	D.N. & R.N.
15	To cheque Jawala Singh 698/- and Babu Khan 505/-		1201-00		Khanna 1st
16	To court fee c.c. 2167/47 Modern Furniture Mart		10-00		September
10	" " C.C. 2163/47 Yeger		6-00		1954
	" our fee Modern Furniture Mart		143-70		<u>(Continued)</u>
	" " " Yeger		30-00		
			<hr/>		
			11548.61	11122.83	
By balance				425-78	
			<hr/>		
			11548-61	11548-61	
			<hr/>		
<u>1948</u>					
	To balance		425-78		
Jan.30	By excess debit in C.C. 2167/47 Modern Furniture Mart in error			83-70	
20	" Modern Furniture Mart			432-85	
Mar.16	To court fee c.c. 794/48 Chadha Anand		8-00		
	" our fee do		30-00		
22	" letter of demand to Habib Kurji		7-50		
Apr. 3	" court fee c.c. 068/48 Rattan Singh vs. Habib		22-00		
	" our fee do		100-00		
13	" court fee on consent c.c. 399/47 Budhia Visram		4-00		
30	16 " letter of demand to Jack Yowell		10-00		
	" court fee c.c. 794/48 Chadha Anand		22-00		
	" our fee do		15-00		
17	" paid copy c.c. 162/47 Turner,		29-00		
	" paid taxation c.c. 399/47 Bhiddia		19-00		
21	" bill of costs re c.c. 162/47 Turner		105-00		
	" letter of demand Maganlal		7-50		
May 8	" taxed costs c.c. 399/47 Budhia		675-50		
40	10 " paid certified copy Business Name Jawala Singh		10-00		
	13 " taxation and extra fee Jawala Singh & Co.		23-00		
	19 By court Fee Chadha Anand & Co.			349-50	
			<hr/>		
C/fwd			1513-28	866-05	
			<hr/>		

Exhibits

		B/fwd	1513-28	866-05 Exhibit.7.
May 22	To taxed costs c.c. 488/47	Jawala Singh	1019-00	Bill of Costs of Messrs. D.N. & R.N. Khanna 1st September 1954
Jly.15	To court fee c.c. 399/47	Budhia Visram	19-00	
	" our fee	do	61-00	
11	" court fee c.c. 1971/48	Brown Liversidge	17-00	<u>(Continued)</u>
10	" our fee		80-00	
Aug.10	" court fee c.c. 2120/48	Jack Yowell	32-00	
	" our fee	do	150-00	
16	By Brown Liversidge & Co.Ltd.			743-50
18	To letter of demand	Mohamed Ismail	5-00	
20	" court fee c.c. 399/48	Mohamed Ismail	38-00	
Sep. 8	" letter of demand to	Stevenson	5-00	
Oct.20	" further letter to	Mrs. Griffin	5-00	
20	Nov. 5	By cheque Pandya Cash Stores		5000-00
	To letter to	K.B. Seth	10-00	
	8	To letter of demand to Arya Niwas on a dishonoured cheque	10-00	
	11	To cheque to you	5000-00	
	" a letter of demand to	Harji Lalji	10-00	
	13	" court fee c.c. 3012/48, Mrs. Griffin	6-00	
	" our fee	do	30-00	
30	25	By Mohamed Ismail on a/c c.c. 399/48		150-00
	27	By K.B. Seth payment on a/c		1300-00
Dec. 8	To court fee c.c. 3225/48	Abdul Sultan Karmali	20-00	
	To our fee	do	100-00	
	21	" court fee c.c. 3388/48	Harji Lalji	26-00
	" our fee	do	120-00	
	24	" paid to Rent Control Board deposit	20-00	
			8295-28	8059-55
40	By Balance			235-73

1949

	To balance b/fwd.		235.73	
Jan. 4	By Mohd. Ismail on a/c c.c.399/48			200-00
27	To our fee re R. Gross as agreed		600-00	
Feb. 1	" letter of demand to	Ahmend Din	5-00	
9	" By court c.c. 399/47	Budhia Visram		150-00

C/fwd

840-73 350-00

Exhibits

	B/fwd	840-73	350-00	Exhibit 7
Feb. 9	To court fee for warrant of arrest Budhia Visram	4-00		Bill of Costs of Messrs.
11	By Mohd. Ismail on a/c c.c. 399/48		150-00	D.N. & R.N.
16	" Jack Yowell on a/c c.c. 2120/48		500-00	Khanna 1st
21	" refund R.C. re K.B. Seth		20-00	September 1954
	To our inclusive fee R.C.B. re K.B. Seth	250-00		<u>(Continued)</u>
10 Mar. 3	By court c.c. 2120/48		500-00	
Apr. 4	" cheque Budhia Visram c.c. 588/47		2200-00	
7	To court fee c.c. 599/48 Mohd. Ismail	24-00		
	" our fee " " " "	61-00		
May 14	By Jack Yowell on a/c c.c. 2120/48		100-00	
18	By cheque represented Jack Yowell		100-00	
17	To cheque returned unpaid Jack Yowell	100-00		
June 17	To costs allowed in c.c. 399/48 Mohd. Ismail	120-00		
20 29	By cash through M.L. Anand on a/c c.c. 399/48 Mohd. Ismail		75-00	
Jly. 29	" " " " "		75-00	
Aug. 25	To court fee c.c. 3225/48 Abdul Sultan Karmali	4-00		
Sep. 2.	By cash through M.L. Anand on a/c c.c. 399/48 Mohd. Ismail		75-00	
16	To court fee c.c. 3225/48 A.S. Karmali	4-00		
Oct. 5	By cash through M.L. Anand on a/c c.c. 399/48 Mohd. Ismail		75-00	
30 Nov. 4	To court fee c.c. 3225/48 A.S. Karmali	22-00		
	" our fee do	20-00		
14	By cash through M.L. Anand on a/c c.c. 399/48		75-00	
Dec. 1	A.S. Karmali re c.c. 3225/48		777-00	
2	Mohd. Ismail on a/c c.c. 399/48		75-00	
		<hr/>		
		1449-73	5147-00	
To balance		3697-27		
		<hr/>		
		5147-00	5147-00	
		<hr/>		
40	By balance b/fwd		3697-27	

1950

Jan. 11	By Mohd. Ismail on a/c c.c. 399/48		75-00
Mar. 2	By do		150-00
9	To our fee for correspondence, attendances re plot 2131 Blenheim Road.	105-00	
	" our fee re Karmashi Moghji	63-00	
		<hr/>	

C/fwd                      168-00    3922-27

		B/fwd	168	3922-27	Exhibit 7
Mar.10	To letter of demand to Chhaganlal				Bill of Costs
		M. Joshi	10-00		of Messrs.
22	" court fee c.c. 304/50	do	34-00		D.N. & R.M.
Apr. 6	" our agreed fee	do	300-00		Khanna 1st
					September
May 8	By Mohd. Ismail on a/c c.c. 399/48			150-00	1954
10	" C.M. Joshi on a/c C.C. 304/50			100-00	(Continued)
Jly. 3	" Mohd. Ismail on a/c c.c. 399/48			150-00	
10 Aug.14	To court fee c.c. 304/50 Chhaganlal				
		M. Joshi	15-00		
25	" letters to Narinjan Singh and				
	Rattan Singh & Bros.		21-00		
29	" further costs allowed as taxed				
	c.c. 304/50 C.M. Joshi		58-66		
Sept. 1	By Mohd. Ismail c.c. 399/48			150-00	
9	To court fee c.c. 304/50 Chhaganlal				
		M. Joshi	17-00		
	To our fee	do	81-33		
20	20 " cheque to you		3000-00		
Oct.16	By C.M. Joshi c.c. 304/50			75-00	
30	To costs allowed by court re				
	c.c. 304/50 C.M. Joshi		40-00		
Nov. 2	By Mohd. Ismail c.c. 399/48			150-00	
Dec.14	To court fee on application to				
	lease property c.c. 1213/50 (O.S.)		25-00		
21	" court fee c.c. 1223/50 (O.S.)				
	filing affidavit		4-00		
	By C.M. Joshi 304/50			150-00	
30				3773-99	4647-27
	To balance			1073-28	
	By balance b/fwd.				1073-28

1951

Jan.10	To court fee c.c. 27/51 (O.S.)				
	Distribution of Estate		84-00		
13	" " on taxation - application				
	to lease property		14-00		
27	" costs as taxed Misc. c.c. 4/51				
	(Original 1223/50) lease				
40	31 " court fee c.c. 304/50 Chhaganlal			752-00	
	Joshi				



Exhibits

		B/fwd	054-00	1073-28	Exhibit 7
	Feb. 3	To court fee c.c. 1223/50 Basant Kaur			Bill of Costs of Messrs. D.N. & R.N. Khanna 1st September 1954
	5	" " " for filing order c.c.27/51	8-00		
	12	By Mohd.Ismail re instalment c.c. 399/48	5-00	100-00	
10	13	To paidfor certified copy of order c.c. 27/51	10-00		<u>(Continued)</u>
	15	" cheque to Registrar of Titles re registration of Court Order against Titles c.c. 27/51	32-00		
		paid for 4 clearance certificates	8-00		
	20	" court fee on filing bill of costs c.c. 11/51 (From 27/51 O.S.)	14-00		
	Mar. 8	" paid for search fee	4-00		
	10	" taxed costs Misc. c.c. 11/51 (From 27/51 O.S.)	1675-33		
20	13	By Mohd. Ismail in full settlement c.c. 399 of 1948		50-00	
	14	To paid to Registrar of Titles for registration of lease	36-00		
		" our fee for attendance and making receipts Mohd. Ismail c.c. 399/48	150-00		
	20	" paid for stamping and registering lease	103-00		
30	Apr.30	By Harji Lalji through Swaraj Singh in full settlement of his share c.c. 3388/48		562-50	
	May 7	" Gulamhussein Manji c.c. 3388/48 on a/c		500-00	
		To court fee c.c. 3388/48 execution application - Gulamhussein	26-00		
		" our fee do	20-00		
	Jun. 2	By court c.c. 304/50 instalment C.M.Joshi		264-04	
40	7	To court fee c.c. 3388/48 - warrant Gulamhussein Manji	6-00		
	Jly. 5	By court c.c. 3388/48 in full settlement Gulamhussein Manji		114-50	
		By court c.c. 304/50 instalment C.M. Joshi		264-04	
	6	To letter to Mulchand Bros. re Plot 163/3 Swamp Road	10-00		
50	Aug.24	" our fee re preparing and completing assignment Plot No. 209/1694 Belham Road	865-00		
		" our fee re preparing, settling and completing lease to Basant Kaur Plot 209/1694 Belham Road.	690-00		
		" our fee re preparing and completing assignment Plot No. 209/2439/3 Belham Road.	2065-00		
			<u>2065-00</u>		
		C/fwd	0561-33	2928-36	

Exhibits

		B/fwd	6581-33	2928-36	Exhibit 7
Aug.24	To our fee re preparing and completing assignment plot 209/2131 Belham Road.		1940-00		Bill of Costs of Messrs. D.H. & R.N. Khanna 1st September 1954
"	our fee re preparing and completing assignment Plot 209/2132 Belham Road.		1940-00		<u>(Continued)</u>
10	" our fee for registering vesting orders against 4 titles		160-00		
Sep.22	" Amin & Patel re: costs c.c. 742/51 Basant Kaur		116-50		
	By cheque re: costs c.c. 742/51 Basant Kaur			160-00	
17	" court c.c. 304/51 instalment - C.M. Joshi			132-02	
Oct. 6	" cheque on a/c			6000-00	
30	To letter of demand to Sadhu Singh Birdi		10-00		
20	Nov. 6 " do Ranjibhai		5-00		
	9 " notices to quit to M.D.F. Pandole and K.B. Seth		30-00		
	12 " notice to quit to M.V. Patel		15-00		
	23 court fee c.c. 1376/51 Sadhu Singh Birdi		36-00		
	" " c.c. 1377/51 Ram Bhai		36-00		
	To letters to Thivedi & Travadi enclosing statement and returning cheque		31-00		
30	28 " letter of demand to Ahmed Din		10-00		
	" " " " H.C.V. Hormasjee		10-00		
	28 " court fee c.c. 5084/51 Ahmed Din		14-00		
	" our fee " " "		80-00		
	By H.C.V. Hormasjee - part payment			300-00	
Dec.22	To court fee c.c. 1376/51 motion Ranjibhai		12-00		
	" " " Criminal Appeal 731/51 Rex		20-00		
40	" paid on swearing affidavit re Criminal Appeal 731/51 Rex		6-00		
	23 By fee re Criminal Appeal 731/51 wrongly debited			26-00	
By balance			11052-83	9546-38	
				1506-45	
			<u>11052-83</u>	<u>11052-83</u>	
<u>1952</u>					
To balance b/fwd			1506-45		
Jan. 3	By Ahmed Din re costs c.c. 5084/51			30-00	
	9 " Court c.c. 304/50 - C.M. Joshi			792-12	
50	C/fwd	1506-45	872-12		
			1489.		

		B/fwd	1506-45	372-12	<u>Exhibits</u>
					Exhibit 7
Feb. 5	To court fee R.M.C.C. 591/52				Bill of Costs
	Hormasjee		16-00		of Messrs.
	" our fee do		106-00		D.H. & R.N.
Mar.19	" court fee on bill of costs				Khanna 1st
	C.C. 1376/51 Rattan Singh V				September
	Ranji		19-00		1954
10	31 " letters to Beant Singh Plot 1694				<u>(Continued)</u>
	Intiasali Road		15-00		
Apr. 9	" our taxed costs c.c. 1376/51				
	Ranji Bhai		1448-00		
May 7	By cheque from K.B.S. Seth re rent			2175-00	
	To court fee on execution R.M.C.C.				
	591/52 Hormasjee		22-00		
	" our fee do		20-00		
8	" our fee R.C.B. 42/52 K.B.S. Seth		250-00		
22	" court fee on execution				
	c.c. 1376/51 Ranji.		22-00		
20	" our fee do.		61-33		
Jun. 3	By Sirley & Kean R.C.B. 43/52			150-00	
	M.D.F. Pandole				
	To our fee do		400-00		
10	By court 304/50 Chhaganlal M. Joshi			240-35	
17	To our fee R.C.B. assessment case				
	Rattan Singh Blenheim Road		200-00		
19	" court fee bill of costs c.c.				
	742/51 Basant Kaur.		19-00		
26	By court R.M.C.C. 591/52 Hormasjee			464-02	
30	Jly. 4 " court c.c. 1376/51 Ramhibhai				
	in full			3408-41	
31	" K.B.S. Seth R.C.B. 42/52 - costs			100-00	
Aug. 5	To our taxed costs c.c. 742/51				
	Basant Kaur		3121-33		
21	" court fee c.c. 742/51 Basant				
	Kaur		22-00		
	" our fee do		61-33		
Oct. 4	" copying charges C.A. 56/52				
	Ramjibhai		20-00		
40	Nov.19 " court fee on certified decree				
	c.c. 742/51 Basant Kaur		6-00		
Dec.19	" " Bankruptcy Notice 4/52				
	Basant Kaur		23-00		
			7359-10	7410-40	
To balance			51-30		

Exhibits

## Exhibit 7

1953

			51-30	Bill of Costs
	By Balance brought forward			of Messrs.
Jan. 2	To letter to Jayantilal M. Vadnagra re Plot 1694 Intiazali Road	10-00		D.N. & R.N.
Feb.12	By cheque from you		1500-00	Khanna 1st
13	To court fee B.C. 2/53 Basant Kaur Petition	143-00		September
	" cheque to official Receiver B.C. 2/53 deposit	400-00		1954
10	Mar. 6 " court fee B.C. 2/53 Basant Kaur - Witness summons	9.00		<u>(Continued)</u>
	14 " court fee bill of costs E.A. CA. 56/52 Ramji Bhai	44-00		
Apl. 8	" our taxed costs C.A. 56/52 Ramjibhai	1515-00		
	17 By court C.A. 56/52 Ramji Bhai		1500-00	
	22 " Ramji Bhai C.A. 56/52 - balance		79-00	
	To our fee for removal of caveat re Plot No. 1694 Intiazali Road	105-00		
20	Jly.14 " court fee E.A.C.A. 95/92 Basant Kaur	44-00		
Sep.10	By court c.c. 304/50 Chhaganlal M. Joshi		132-02	
	17 To our fee for letter to Immigration Officer re Fakir Singh	15-00		
	" our fee attendance at Immigration Office	63-00		
30	By court E.A.C.A. 95/92 Basant Kaur		2752-00	
	To our taxed costs E.A.C.A. 95/52 Basant Kaur	2700-00		
	23 " paid for stamp duty on agreement Gurdass Singh	2-00		
Oct.31	" letter to J.L. Solamalay- notice to quit	21-00		
Dec. 2	" our provisional fee B.C. 2/53 Basant Kaur	1500-00		
	14 By Trivedi & Trivedi R.C.B. 44/52 arrears and costs		1891-00	
40	To our fee R.C.B. 44/52 - M.U. Patel and others	1000-00		
			<hr/>	
		7579-00	7905-32	
	To balance	326-32		
		<hr/>		
		7905-32	7905-32	

Exhibits

Exhibit 7

1954

	By balance brought forward		326-32	Bill of Costs
Apl.12	To letter to Lallubhai-notice to quit	21-00		of Messrs. D.N. & R.N.
21	By Naran Jina - rent on a/c		522-00	Khanna 1st September 1954
23	To our fee in R.M.C.C. M 793/54 - City Council	400-00		<u>(Continued)</u>
Jly. 7	To letter to Gyan Singh Panesar for increase of rent	10- 0		
10 Aug. 4	" Court fee c.c. 4530/54 - Premchand Karakmschi - appearance	2-00		
12	" letter of demand to Harnun Singh & Co.	10-25		
			<hr/>	
		443-25	348-32	
		405-07		
			<hr/>	
		343-32	348-32	

NAGINA SINGH

Exhibits

Exhibit 7

Information extracted from Gledhill & Oulton's books.

Bill of Costs  
of Messrs.  
D.N. & R.N.  
Khanna 1st  
September  
1954

File 1215/2. Judgment obtained from K.M. Haria for 29,320/-. This has all been received and Nagina Singh (thro' Cummings & Miller) have been paid.

(Continued)

	29/9/53	11,500/-	Cash
	3/11/53	9,000/-	"
	30/1/56	1,320/-	)Cash
10	July 1956	6,000/-	)20,000/-
	Costs	1,500/-	)G. & C.
		<hr/>	
		29,320/-	
		<hr/> <hr/>	

Cummings & Miller have therefore been overpaid 12,600/-

On various dates in 1956, Gledhill & Oulton have recovered from

Solomally	10,125/-
Seth	946/-
Nazam Juma	500/-
	<hr/>

11,571/-

20 leaving an overpayment of (net) 1109/- with no Costs recovered, but we believe different Advocates are involved in the debts so that Gledhill & Oulton should either recover from Cummings & Miller or explain to this client the position.

Exhibit 9  
Statement of Profits

Exhibits  
Exhibit 9  
Statement  
of profits

RAJTAN SINGH

	<u>Profit Per C.P. Thian</u>	<u>Profits Per Cook Sutton</u>
1946	15,000	
Rents	33,000	
1947	49,000	
Rents	33,000	
	166,000	
1948		
10 1949	80,000	
	36,000	
1951	35,000 (Loss)	
1952	190,000	
1953	2,000 (Loss)	462,000
	<hr style="width: 100%;"/>	
	575,000	
1953	16,000	70,000
1955	26,000	24,000
1956	38,000 (Loss)	38,000 (Loss)
1957	30,000	30,000
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
20 Sub Totals	34,000	86,000
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	609,000	584,000
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

Exhibit 10

Balance Sheets Nagina Singh Contractors, 1953-57

RATTAN SINGH

Trading as Nagina Singh Contractors

Balance Sheet as at 31st December 1953

Exhibits

Exhibit 10

Balance Sheets,  
Nagina Singh  
Contractors  
1953-57

	<u>Capital Account</u>		279187.75	<u>Cash</u>		44615.36
	Balance at 1st January 1953	323876.28		On Hand	756.75	
	Add: Properties Account Balance	<u>61800.70</u>		National Bank of India Ltd.	23822.78	
		385676.98		Barclays Bank (D.C. & O)		
				Estate Account	1.78	
10	Less: Loss for year	2510.41		Barclays Bank (D.C. & O)		
	Drawings	<u>103978.82</u>		Personal Account	3765.84	
		<u>106489.23</u>		Barclays Bank (D.C. & O)		
				Firm Account	<u>16268.21</u>	
	<u>Sundry Creditors</u>		190381.75	<u>Deposit on Contracts</u>		9200.00
	As per Schedule 'A'	162524.47		<u>Sundry Debtors</u>		250334.14
	Gian Singh Rents	85700.70		As per Schedule 'B'	175183.97	
	Less: Drawings	<u>57843.42</u>		Noshi Branch	<u>75150.17</u>	
		<u>27857.28</u>		<u>Stock on Hand</u>		20000.00
20				As certified by the Management.		
				<u>Work in Progress</u>		120000.00
				As certified by the Management		
				<u>Motor Vehicles</u>		10190.00
				Balance	13587.60	
				Less: Depreciation	<u>3397.00</u>	
				<u>Plant &amp; Machinery</u>		14334.00
				Balance	15643.00	
				Add: Purchases	<u>1220.00</u>	
					16863.00	
				Less: Depreciation	<u>2529.00</u>	
30				<u>Office Equipment</u>		896.00
				Purchases during year	995.00	
				Less: Depreciation	<u>99.00</u>	
			<u>469569.50</u>			<u>469569.50</u>

Approved subject to our report of even date, addressed to the Commissioner of Income Tax



RATTAN SINGH

Trading as Nagina Singh Contractors

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st DECEMBER 1953

	To Stock on hand as at 1st Jan.1953	20000.00		By Contracts and Sales	784058.73
	" Purchases	666454.17		" Stock on hand at 31st December 1953	20000.00
	" Salaries & Wages	184824.18		" Work in Progress	<u>120000.00</u>
	" Transport	48086.57			140000.00
	" Repairs	816.50		" Gross Loss carried down	5851.99
10	" Rations	2678.15			
	" Power Light & Water	<u>7051.15</u>	<u>909910.72</u>		<u>929910.72</u>
			<u>929910.72</u>		<u>929910.72</u>
	" Gross Loss carried down		5851.99	" Net Profit - Moshi Contract	5227.42
	" Audit Fees	2500.00		" Rents	30214.70
	" Bank Charges	176.25		" Net Loss	2510.41
	" Donations	2053.00			
	" Insurance	1216.01			
	" Licences	1845.00			
	" Legal Expenses	8352.84			
20	" Medical Expenses	889.00			
	" Office Expenses	794.73			
	" Printing & Stationery	326.85			
	" Telegrams, Telephones & Postages	870.70	26075.54		
	" Water & Light	<u>7051.16</u>			
	" <u>Depreciation</u>				
	Motor Vehicles 25%	3397.00			
	Plant & Machinery 15%	2529.00			
	Office Equipment 10%	99.00	6025.00		
			<u>37952.53</u>		<u>37952.53</u>
			<u>37952.53</u>		<u>37952.53</u>

Exhibits

Exhibit 10

Balance Sheets,  
Nagina Singh  
Contractors  
1953-57  
(Continued)

RATTAN SINGH

Trading as Nagina Singh Contractors

BALANCE SHEET AS AT 31st DECEMBER, 1954

Exhibits

Exhibit 10

Balance Sheets,  
Nagina Singh  
Contractors  
1953-57  
(Continued)

	<u>Capital Accounts</u>		<u>Cash</u>		
	Rattan Singh as at 31st Dec. 1953	279187.75		Barclays Bank (D.C. & O) Nairobi	15020.97
	<u>Add</u> Profit for year	15834.71		Nagina Singh	16102.13
	Advances Moshi	26400.00		-do- Rattan Singh	
		<u>321422.46</u>		National Bank of India Ltd. Nbi.	
10	<u>Less:</u> Drawings	<u>74738.45</u>	246684.01	Nagina Singh	58645.21
				-do- Moshi	
				Nagina Singh	114422.55
				-do Moshi Bhagan Singh	3568.25
				Bank of Baroda. Rattan Singh	102564.25
				Cash on hand	243.73
					310647.09
	Sundry Creditors, Provisions and Amounts paid in advance as per schedule	309383.53		Sundry Debtors, Deposits Prepayments, etc., as per schedule	119771.30
20				Stock on hand as certified by management	20000.00
				Work in Progress -do-	50000.00
				<u>Motor Vehicles</u> as at 31st Dec. 1953	23221.00
				<u>Add</u>	
				Additions during year	<u>27125.00</u>
					50346.00
				<u>Less</u> Sales & Depreciation	<u>16188.00</u>
					34156.00
				<u>Plant &amp; Machinery</u> as at 31. Dec. 1953	14334.00
				<u>Add</u>	
30				Additions during year	<u>8418.90</u>
					22752.90
				<u>Less:</u> Depreciation	<u>2275.00</u>
					20477.90
				<u>Office Equipment</u> as at 31/12/53	896.00
				<u>Less:</u> Depreciation	<u>89.00</u>
					807.00
				<u>Cycle</u>	275.00
				<u>Less:</u> Depreciation	<u>68.75</u>
					206.25
		<u>556067.54</u>			<u>556067.54</u>

AUDITORS' REPORT

We have compiled the foregoing from the books and papers of Rattan Singh and have received all the explanations required. In our opinion the Balance Sheet is properly drawn up to show the state of the affairs of the business as at 31st December 1954.

Nairobi  
22nd November 1956.

Incorporated Accountants

RATTAN SINGH

Trading as Nagina Singh Contractors

TRADING & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1954

Exhibits

Exhibit 10

Balance Sheets,  
Nagina Singh  
Contractors  
1953-57  
(Continued)

		<u>Moshi</u>	<u>Nairobi</u>			<u>Moshi</u>	<u>Nairobi</u>
	To Stock on hand 1st January 1954		20000.00		By Contracts & Sales	570566.20	875646.31
	" Purchases	344003.60	564580.10		Less Work in Progress as at		
	" Salaries & Wages	135659.17	193347.70		1st January 1954		<u>120000.00</u>
	" Transport (Motor Vehicles)	23243.96	74661.68		" Stock on hand 31st Dec. 1954		20000.00
	" Repairs	-	639.30		" Work in Progress		50000.00
10	" Rent Light & Water	2236.60			" Gross loss carried down		27582.47
	" Balance Gross Profit carried down	65422.87					
		<u>570566.20</u>	<u>853228.78</u>			<u>570566.20</u>	<u>853228.78</u>
	To Gross Loss brought down		27582.47		" Gross profit brought down	65422.87	
	" Audit Fees		3700.00		" Rents		49262.05
	" Bank Charges	231.75	161.85		" Net Less carried down		26283.41
	" Donations		312.00				
	" Entertainment		2071.00				
	" Travelling	19500.00	3875.00				
20	" Licences other than M.V.		10.00				
	" Legal Expenses		3455.00				
	" Insurance	295.00					
	" Office Expenses		247.30				
	" Printing & Stationery	20.00	2650.40				
	" Telegrams, Telephones & Postages		2092.43				
	" Water & Light (Houses)		18025.26				
	" Land Rent		800.00				
	" <u>Depreciation</u>						
	Motor Vehicles @ 25%	3258.00	8130.00				
30	Plant & Machinery @ 10%		2275.00				
	Office Equipment @ 10%		89.00				
	Cycle @ 25%		68.75				
	" Balance Net Profit carried down	42118.12					
		<u>65422.87</u>	<u>75545.46</u>			<u>65422.87</u>	<u>75545.46</u>
	To Balance transferred to Rattan Singh		15834.71		By Net Profit (Moshi)	42118.12	
					Less Net Loss Nairobi	<u>26283.41</u>	
						15834.71	

RATTAN SINGH

Trading as Nagina Singh Contractors

Balance Sheet as at 31st December, 1955

Exhibits

Exhibit 10

Balance Sheets,  
Nagina Singh  
Contractors  
1953-57  
(Continued)

<u>Capital Accounts</u>			<u>Cash</u>		
	Rattan Singh as at 31. Dec. 1954	24684.01		Barclays Bank (D.C. & O) Nairobi	5048.11
	<u>Add:</u> Share of Profits	26479.25		Nagina Singh	2069.38
	Advances (Moshi)	6000.00		-do-	
		<u>279157.26</u>		National Bank of India Ltd. Nbi.	
10	<u>Less:</u>			Nagina Singh	10665.96
	Drawings	117840.02		Moshi	
		<u>161317.24</u>		-do-	Nagina Singh 56861.79
				-do-	Bhagan Singh 358.25
				Bank of Baroda	Rattan Singh <u>46426.45</u>
	<u>Bhagan Singh</u> as at 31. Dec. 1954	22800.00		Less Cash Overdrawn	121429.94 <u>4020.58</u>
	<u>Add</u> Share of Profits	2941.47			117409.36
	Advances (Moshi)	8600.00		<u>Sundry Debtors</u> Deposits, Pre-	
		<u>35341.47</u>		payments, &c. as per schedule	191988.54
20	<u>Less</u>			Stock on hand as certified by the	
	Drawings	4800.00		Management	20000.00
		<u>30541.47</u>		Work in Progress -do-	110000.00
	<u>Gian Singh</u> as at 31. Dec. 1954	30145.18		<u>Motor Vehicles</u> as at 31 Dec. 1954	34158.00
	<u>Add</u> Share of Profits	2941.47		<u>Add</u> additions during year	<u>65360.00</u>
	Rents	20513.10		Less Sales & Depreciation	99518.00
		<u>53599.75</u>			70326.00
	<u>Less</u> Drawings	7005.00		Plant & Machinery as at 31 Dec. 1954	20477.90
		<u>46594.75</u>		<u>Less:</u> Depreciation	<u>2547.00</u>
30	<u>Surjit Singh</u> as at 31 Dec. 1954	6000.00			18430.90
	<u>Add</u> Share of Profits	2941.48		<u>Office Equipment</u> as at 31 Dec. 1954	807.00
	Advances	16500.00		<u>Less:</u> Depreciation	<u>80.00</u>
		<u>25441.48</u>			727.00
	<u>Less:</u> Drawings	3400.00		<u>Cycle</u> as at 31 Dec. 1954	206.25
		<u>22041.48</u>		<u>Less:</u> Depreciation	<u>51.00</u>
	<u>Sundry Creditors</u> Provisions & amounts paid in advance as per schedule	268542.11			155.25
		<u>529037.05</u>			
40	) Partners				<u>529037.85</u>

AUDITORS REPORT

We have compiled the foregoing from the books and papers of Nagina Singh and have received all the explanations required. In our opinion the Balance Sheet is properly drawn up so as to show the state of the affairs of the Partnership as at 31st December 1955.

NAIROBI  
26th November, 1956

Incorporated Accountants

RATTAN SINGH

Trading as Nagina Singh Contractors

Profit & Loss Account for the year ended 31st December 1955

Exhibits

Exhibit 10

Balance Sheets,  
Nagina Singh  
Contractors  
1953-57  
(Continued)

	To Stock on hand 1st. Jan. 1955	20000.00		198000.00	1024313.91
	" Purchases	154059.60	By Contracts & Sales		
	" Salaries & Wages	56708.66	Less		
	" Transport (M.V. Expenses)	20502.94	Work in Progress 1 Jan. 1955		50000.00
	" Repairs	-			974313.91
	" Rent Light & Water	2590.00	Stock on hand 31. Dec. 1955		20000.00
		<u>1006476.31</u>	Work in Progress "	10000.00	10000.00
10	" Balance Gross profit carried down	87837.60	Gross Loss Carried down	25861.20	
		<u>233861.20</u>		<u>233861.20</u>	<u>1094313.91</u>
		1094313.91			
	" Gross Loss carried down	25861.20	Gross profit carried down		87837.60
	" Audit Fees	2500.00	Rents		41188.00
	" Bank Charges	5.00	Balance Net Loss carried down	48188.70	
	" Travelling	12000.00			
	" Legal Expenses	1144.00			
	" Insurance (other than M.V.)	774.00			
	" Office Expenses	1060.40			
20	" Printing & Stationary	42.50			
	" Telegrams, Telephone & Postages	2341.55			
	" Water & Light (Houses)	7850.68			
	" Land Rent & Site Value Tax	12268.20			
	<u>Depreciation</u>				
	Motor Vehicles 25%	9506.00			
	Plant & Machinery 10%	2047.00			
	Office Equipment 10%	80.00			
	Cycle 10%	51.00			
		<u>45539.23</u>			
30	" Balance Net Profit carried down	83486.37			
		<u>48182.70</u>		<u>48188.70</u>	<u>129025.60</u>
		129025.60			
	" Net Profit divisible R. Singh 1.1.55 to 31.8.55	23531.78	Net Profit carried down, Nairobi		83486.37
	= 8/12ths		Less Net Loss - Moshi		48188.70
	1.9.55 to 31.12.55	2941.47			
	B. Singh -do-	2941.47			
	G. Singh -do-	2941.47			
	S. Singh -do-	2941.48			
		<u>35297.67</u>			<u>35297.67</u>

RATTAN SINGH

Trading as Nagina Singh Contractors  
Balance Sheet as at 31st December, 1956

Exhibits

Exhibit 10

Balance Sheets,  
Nagina Singh  
Contractors  
1953-57  
(Continued)

<u>Capital Account as per Schedule 'A'</u>		<u>Cash</u>	
Rattan Singh	113522.36	Barclays Bank, Nairobi	25274.31
Gian Singh	39571.28	National Bank of India,	
Bhagan Singh	Dr. 25641.25	Nairobi	2589.27
Surjit Singh	Dr. 27602.33	Nakuru	66599.72
	99850.06	Moshi	14476.66
		Bank of Baroda Mombasa	23109.43
		On hand	51602.53
			<u>183652.02</u>
<u>SUNDRY CREDITORS Provisions and amounts paid in advance as per Schedule 'B'</u>		<u>FIXED ASSETS</u> at Cost per assumed value less depreciation as per Schedule 'C'	99755.90
	443153.32		
<u>Note:</u>		<u>STOCK ON HAND</u> as valued by the Management	50450.00
There is a possible claim by the Goan Institute of some 8000/- for "default" not provided for in these accounts.		<u>WORK IN PROGRESS</u> as valued by the Management	105085.05
		<u>DEBTORS</u> as per Schedule 'B'	104062.41
	<u>543003.38</u>		<u>543003.38</u>

AUDITORS REPORT

We have compiled the foregoing from the Books and Papers of Nagina Singh and have received all the information and explanations we have required. In our opinion the Balance Sheet is properly drawn up so as to show the correct state of affairs of the Partnership as at 31st December, 1956.

NAIROBI  
April 1957

Incorporated Accountants

Trading as Nagina Singh Contractors

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1956

	<u>Moshi</u>	<u>Nairobi</u>		<u>Moshi</u>	<u>Nairobi</u>
To Stock on hand 1st January '56		20000.00	By Contracts & Sales	291297.30	1553274.15
" Purchases	209884.75	1241259.87	<u>Less</u> Work in Progress		
" Salaries & Wages	60807.45	366305.15	1st January 1956	<u>10000.00</u>	<u>100000.00</u>
" Transport (M.V. Expenses)		57071.66		281297.30	1453274.15
"			Stock on hand, 31st December 1956		20000.00
			Work in Progress -do-	10000.00	<u>95083.05</u>
					1568357.20
			Loss carried down		117565.43
	<u>288484.75</u>	<u>1685922.63</u>			
Balance Gross Profit	<u>2812.55</u>				
	<u>291297.30</u>	<u>1685922.63</u>		<u>291297.30</u>	<u>1685992.63</u>
Loss brought down		117565.43	By Gross profit brought down	2812.55	
To Audit Fees		2000.00	Rents		27066.70
" Bank Charges		664.05	Loss carried down	21453.30	150228.85
" Medical	4000.00	2966.50			
" Travelling	12000.00				
" Legal Expenses		6234.17			
" Insurances (other than M.V.)	240.00	2683.80			
" Office & General Expenses		958.70			
" Printing & Stationary	21.85	1516.65			
" Typing		1160.00			
" Telegrams Telephones & Postages		3861.75			
" Water & Light (Houses)		6927.00			
" Land Rent & Site Value Tax		9415.41			
" Donations		1630.00			
" Entertainment		740.00			
<u>Depreciation</u>					
Motor Vehicles 25%	8004.00	16608.84			
Plant & Machinery 10%		2233.00			
Office Equipment 10%		72.00			
Cycle 10%		36.25			
	<u>24265.85</u>	<u>177295.55</u>		<u>24265.85</u>	<u>177295.55</u>
Balance b/d Moshi	21453.30		divisible Rattan Singh		37624.47
Nairobi	<u>150228.85</u>		Gian Singh		37624.47
	171682.15		Bhagan Singh		37624.47
Less: Profit Mombasa (2 years)	<u>21184.27</u>		Surjit Singh		<u>37624.47</u>
		150497.88			<u>150497.88</u>
<u>Note Mombasa Profit</u>					
1955	25086.27				
1956	<u>3902.00</u>	Loss			
	<u>21184.27</u>				

RATTAN SINGH & SONS

Trading as Nagina Singh Contractors

BALANCE SHEET AS AT 31st DECEMBER, 1957

Exhibits

Exhibit 10

Balance Sheets,  
Nagina Singh  
Contractors  
1953-57  
(Continued)

<u>CAPITAL ACCOUNT AS PER SCHEDULE 'A'</u>		<u>CASH</u>	
Rattan Singh	33732.55	At Banks	26020.39
Gian Singh	107891.81	On hand	2695.25
Bhagan Singh	Dr. 14207.22		<u>28715.64</u>
Surjit Singh	Dr. 9568.30		
	<u>117848.84</u>		
		<u>FIXED ASSETS</u> at Cost or assume value less depreciation as per Schedule 'C'	257592.25
		<u>STOCK ON HAND</u> as certified by S. Singh	13631.63
		<u>WORK IN PROGRESS</u> " " "	57794.35
		<u>DEBTORS</u> as per Schedule 'B'	125542.87
			<u>463276.74</u>
			<u>463276.74</u>

NOTE: There is a possible claim by the  
Goan Institute of some 8000/- for  
"default" not provided for in  
these accounts.

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AUDITORS' REPORT

We still have not obtained the Property Valuation as it existed at 1/1/1954  
and consequently no values are included in this Balance Sheet. We have compiled the foregoing  
from the books and papers of Nagina Singh and have received all the information we have required.  
Subject to our comment over Property the Balance Sheet is in our opinion properly drawn up so as  
to show a correct state of the affairs of the Partnership as at 31st December, 1957.

INCORPORATED ACCOUNTANTS

NAIROBI  
31st March 1958



RATTAN SINGH

Trading as Nagina Singh Contractors

Exhibits

Exhibit 10

TRADING & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1957

	<u>Mombasa</u>	<u>Moshi</u>	<u>Nairobi</u>		<u>Mombasa</u>	<u>Moshi</u>	<u>Nairobi</u>
To Stock on hand 1/1/57			20000.00	By Contractors & Sales		48533.50	1698978.80
" Purchases	2223.50	60776.90	1078457.57	" <u>Less</u> Work in Progress			
" Salaries & Wages		4000.00	308544.11	1/1/57	10000.00	95083.05	
" Transport (M.V. Expenses)	270.00	5432.85	74260.51	" Stock on hand 31/12/57		<u>38535.50</u>	<u>1603895.75</u>
				" Work in Progress 31.12.57			13631.63
				" Balance Loss C/down	2493.50	21726.25	57794.35
	<u>2493.50</u>	<u>70259.75</u>	<u>1675321.73</u>		<u>2493.50</u>	<u>70259.75</u>	<u>1675321.73</u>
To Loss brought down	2493	31726.25					
" Audit Fees			1500.00	By gross profit brought down			194059.54
" Bank Charges		67.00	540.85	" Rents receivable			31181.95
" Medical		27.00	3393.15	" Balance loss	5250.50	38424.25	
" Travelling		600.00	679.80				
" Legal Expenses			190.00				
" Insurance (other than M.V.)			5762.49				
" Office & General Expenses			744.90				
" Printing & Stationery			882.20				
" Telegrams, Telephone & Postage			3964.15				
" Water & Light			12389.52				
" Land Rent & Site Value			5199.50				
" Donations			1851.00				
" Entertainment			927.00				
" Loss on Cars (Net)			1833.07				
" <u>Depreciation</u>							
Motor Vehicles 25%	2747.00	6004.00	18037.00				
Plant & Machinery 10%			2009.00				
" Office Equipment 10%			625.00				
" Cycle 10%			12.00				
	<u>5240.50</u>	<u>38424.25</u>	<u>66640.63</u>				
Balance Profit			164600.86				
	<u>5240.50</u>	<u>38424.25</u>	<u>225241.49</u>		<u>5240.50</u>	<u>38424.25</u>	<u>225241.49</u>

Nairobi Profit 164600.86  
 LESS Mombasa Loss 5240.50  
 Moshi 38424.25

43664.75  
 120936.11

Divisible Rattan Singh 30234.02  
 Gian Singh 30234.03  
 Bhagan Singh 30234.03  
 Surjit Singh 30234.03

Balance Sheets,  
 Nagina Singh  
 Contractors  
 1953-57  
 (Continued)

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## Exhibit 11

List of Sundry Creditors etc.  
and letters re Estate of Nagina Singh

ESTATE OF NAGINA SINGH HIRA SINGH (DECEASED) NAIROBIList of Sundry Creditors as at 31st December, 1945

	Major Eraskin	Shs.	4000-00
	M.R. Thakor Mombasa		2000-00
	Alibhai Shariff		144-14
	Ahmed Din Painter		200-00
10	Motor Mart & Exchange Limited		12-00
	Shah Brothers		1800-00
	Hardware Stores Limited		195-18
	Gailey & Roberts		173-44
	Prabhu Dass Patel		1080-00
	Jagat Singh Bhagat Singh		313-00
	Bhagwanji		275-00
	Bakshish Singh		367-50
	Mehar Singh		700-00
	Nairobi Cycle Mart		774-07
20	Kenya Supply Co.		597-50
	Timsels		137-32
	Churanji Lal		91-10
	Africa Highland Timber		260-19
	Karam Ali		1250-00
	Battan Singh		570-00
	E.A. Blanket Syndicate		2585-00
	Shukla Brothers		2094-73
	City Garage		461-70
	F.M. Bhaiji No. 2		184-67
30	Haria Trading Company		1305-00
	Highland Timber Co.		165.11
	Kassam Kanji		15-99
	D. Rifkin		1320-00
	E.A. Joinery Works		105-00
	Karsan Murji & Co.		34-00
	Bhinji Ramji		247-50
	Dharanshi Vallabhji		1090-00
	Karamshi Meghji		1300-00
	Isher Singh		250-00
40	City Printing Works		9-00
	R.M. Nanda		600-00
	Smith Mackenzie		569-36
	Walli Mohamed		90-00
	Jadavji Shamji		120-00
	Rannal Duda		3020-00
	Bullows Roy		94-75
	Gian Singh		1612-77
	Rattan Singh personal a/c		32678-05
	Bharaj Singh		4300-00
50	Sarjit Singh		4550-00
	Inderjit Singh		3928-50
	Basant Kaur		175-00
	Total	Shs.	<u>84347.37</u>

CERTIFIED AS CORRECT.

R.M. NANDA

REGISTERED ACCOUNTANT AND AUDITOR

Exhibits.

Exhibit 11

List of  
Sundry  
Creditors  
and letters  
re Estate  
of Nagina  
Singh

RATTAN SINGH

Exhibits

RECONCILIATION OF PROPERTIES WITH SCHEDULE  
A AND B

Exhibit 11

PROPERTIES AS AT 11.1.46

List of  
Sundry  
Creditors  
and letters  
re Estate  
of Nagina  
Singh  
(Continued)

	Salisbury Lane Plot 74 B of 422 A XII		16,000	Per C.P. Thian's 2nd Report. Gift from Father 1941. Page 3.
10	Seamp Road Plot L.R. 209/163/3	10,225		Per C.P. Thian's Report Gift from father 1942 Page 5.
	Blenheim Road Plot 209/2131	40,000		These items are taken from Schedule B of C.P. Thian's 2nd Report which in turn were taken from the Estate Duty Affidavit.
	Plot 209/2132	40,000		
	Intiazali Street Plot 209/1694	20,000		
20	Sadler Street Plot No. 209/2439/8	75,000		
	Property inherited in India	120,000		Per Schedule B
	Part Payment for Plot 415 Mombasa	5,000		Per C.P. Thian's schedule B confirmed by further payment of 10,000 in 1947.
			<hr/>	
		326,225		
	<u>1947</u>			
	Grogan Road 41,500 & Mombasa 10,000			
30	Total as at 31.12.47	51,500		
		<hr/>		
		377,725		
	<u>1950</u>			
	Cost of Grogan Road	185,200		
	Total as at 31.12.50	562,925		
	<u>1951</u>			
	Add: cost of Building at Parklands L.R. 209/51/7	45,500		
		<hr/>		
		608,425		
40	<u>1953</u>			
	Deduct: Grogan Road sale at cost	126,000		
	Total as at 31.12.53	482,425		
	Add: Purchase - New Delhi	147,000		
	Total as at 31.12.57 per Schedule B.	629,425		
		<hr/>		

NATIONAL BANK OF INDIA LIMITED

AMRITSAR 18th April, 1957

Exhibits

Exhibit 11

We hereby certify that we paid to Mr. Rattan Singh s/o Nagina Singh, Post Office Box No. 1047, Nairobi (Kenya Colony) British East Africa the following amounts, on account of interest accrued on his Fixed Deposits during September 1950 to date.

List of  
Sundry  
Creditors  
and letters  
re Estate  
of Nagina  
Singh  
(Continued)

	Date	F.D.R.No.	Principal	Interest	Date on which interest paid
10	16.9.50.	83/155	Rs.58,408/-	1017.12.0.	14.11.51
	14.11.51	89/159	Rs.58,957/-	1031.12.0.	14.11.52
	14.11.52	90/413	Rs.59,513/-	1501. 9.0.	7.12.53
	20. 8.52	90/292	Rs.20,000/-	506.13.0.	2. 9.53
	7.12.53	91/500	Rs.60,366/-	1664.10.0.	0.12.54
	2. 9.53	91/333	Rs.20,272/-	491. 2.0.	30. 9.54
	30. 9.54	92/355	Rs.20,536/-	517.10.0.	3.10.55
	8.12.54	92/458	Rs.61,264/-	1363. 7.0.	13.12.55
	3.10.55	93/439	Rs.20,014/-	520. 5.0.	23. 2.57 +

+ (Current account opened in your name on 28.2.57)

20	13.12.55	93/563	Rs.62,269/-	1935. 8.0.	26.12.56
	26.12.55	94/601	Rs.63,313/-	Due on	26.12.57

for National Bank of India Limited.

Sgd. ?

Manager,

NATIONAL BANK OF INDIA LIMITED

Exhibits

NAIROBI 13th July, 1956.

Exhibit 11

Messrs. Thian & Bellman,  
Stanvac House,  
Queensway,  
NAIROBI.

List of  
Sundry  
Creditors  
and letters  
re Estate  
of Nagina  
Singh  
(Continued)

Dear Sirs,

10 Re: Nagina Singh s/o Hira Singh  
Estate of Nagina Singh s/o Hira Singh  
Nagina Singh Contractor

With reference to your letters of 28th May, and  
29th June we give below particulars of Fixed Deposits held  
by us in the above name during the period 1940-1953.

<u>F.D.R.No.</u>	<u>Amount</u>	<u>Favouring</u>	<u>Date Repaid</u>	<u>Interest Paid</u>
80/80	Shs. 5,000/-	Nagina Singh s/o Hira Singh	23.9.42	Shs. 25/-
82/491	Shs.46,000/-	-do-	23.8.45	" 690/-
83/371	Shs.46,000/-	-do-	14.5.47	" 460/-
20 85/169	" 46,460/-	Estate of Nagina		
86/172	" 46,400/-	Singh s/o Hira Singh	17.5.48	" 464/60
		-do-	17.5.49	" 460/-
87/146	" 46,000/-	-do-	18.5.50	" 460/-
88/158	" 46,000/-	-do-	3.8.50	Nil
88/233	" 46,000/-	Nagina Singh Contractor	3.8.51	Shs.460/-
89/215	" 46,000/-	-do-	30.8.51	Nil

Yours faithfully,

30

sd: G. W. BETTS

pro. Manager.

KGP

COPY  
AIRMAIL

STATE BANK OF INDIA

JULLUNDUR 27th Sept. 1957.

Shri Rattan Singh s/o Nagina Singh,  
P.O. Box 1047,  
Nairobi

Dear Sir,

Ref. Fixed Deposit Account in your name

Exhibits

Exhibit 11

List of  
Sundry  
Creditors  
and letters  
re. Estate  
of Nagina  
Singh  
(Continued)

10 Further to our letter No.3/661 of the 14th September, 1957, we furnish below the detailed information called for by you in your letter dated 10th September, 1957:-

<u>Date of</u> <u>Deposit or</u> <u>renewal</u>	<u>No.of</u> <u>F.D.R.</u>	<u>Amount</u>	<u>Int. paid</u> <u>on maturity</u>	<u>I.T.&amp; SCg.</u> <u>deducted</u>	<u>Remark</u> <u>Deposit</u>
<u>1947</u>					
May 22	96554	Rs.73700.00	1105/9/-	345/5/-	Renewal on 22.5.48
<u>1948</u>					
20 May 22	93932	Rs.74460.00	1114/13/-	349/-/-	do 15.6.49
<u>1949</u>					
June 15	99702	Rs.105850.00	1587/12/-	396/12/-	do 25.7.50
<u>1950</u>					
July 25	66457	Rs.107041.00	1605/10	401/4/-	do 25.7.51
<u>1951</u>					
July 25	67939	Rs.108245.00	1623/11/-	426/-/-	do 25.7.52
<u>1952</u>					
July 25	19605	109441.00	1641/10/-	432/10	do 25.7.53
<u>1953</u>					
30 July 25	733122	110651.00	1659/12	435/12/	do 31.8.54
<u>1954</u>					
Aug. 31	11503	142539.00"	2138/1/-	561/3/-	do 31.8.55
<u>1955</u>					
Aug. 31	34633	144114.00	2161/11/-	992/11/-	do 4.9.56
<u>1956</u>					
Sept. 4	35733	145251.00	2179.21	1223.04	do 14.9.57

40 We regret the records prior to the year 1947 are not traceable at this office while efforts to trace them out are still continued by us. If and when the required records are available, we shall be pleased to furnish you with the information regarding the deposit in question prior to the year 1947.

Meanwhile with assurance of our best attention at all times.

Yours faithfully,

Sd???

Mr. p. Agent.

" aggregate proceeds of F.D. Rs. Nos. 733122 & 20603

T.

STATE BANK OF INDIA

JULLUNDUR 19th November, 1957

S & F No. 3/1288

Exhibits

Exhibit 11

URGENT

AIR MAIL

List of  
Sundry  
Creditors  
and Letters  
of Estate  
re Nagina  
Singh  
(Continued)

M/s. Thian & Bellman,  
501/4 Stanvac House,  
Queensway,  
Nairobi

10 Dear Sir,

Ref: Fixed Deposit Account in the name of  
Rattan Singh s/o Nagina Singh

With reference to your letter dated the 10th October  
1957, we beg to advise as follows:-

The Fixed Deposit Receipts No. 99702 dated 15.6.1949  
for Rs. 105350/- represents the combined proceeds of  
Fixed Deposit Receipts No. 97932 and 97933 for Rs.30309/-  
and 74460/- respectively as per details given hereunder:

Date of Issue	F.D.R.No.	Amount	Interest Surcharge deducted	Income-Tax	Renewed on
22.5.48	97932	Rs. 30309/-	454/11	142/3	15.6.49
22.5.48	97933	Rs. 74460/-	1116/14	349/1	15.6.49

30 With regard to the disposal of Rs. 30,000/- debited  
to M/s Rattan Singh, Nagina Singh's current Account in May  
1952 we have to advise that the sum was held in Fixed Deposit  
account in their names vide our receipt No. 19376, dated  
20.5.1952. This deposit was renewed on 20.5.1953 as per our  
receipt were included in Fixed Deposit Receipt No. 11503, for  
Rs. 142539/-. Further details of the aforesaid sum are as  
follows.

Date of Issue	F.D.R.No.	Amount	INTEREST	Income-Tax & Surcharge deducted	Renewed on
20.5.52	19376	Rs. 30,000	450/-	Not avail- able	20.5.93
20.5.53	20603	Rs. 30331/-	455/-	119/7	31.3.54.

40 We trust that the position has been explained to your  
satisfaction. If however, there is any further information  
required by you, please do not hesitate to refer to us.

Yours faithfully,

sd.? Agent.

1510

Exhibit 12

Exhibits

Living Expenses of Rattan Singh, 1946 to 1952

Exhibit 12

Living Expenses of Rattan Singh 1946 to 1952

	1946	1947	1948	1949	1950	1951	1952
Food	£ 360	£ 360	£ 375	£ 100	£ 365	£ 370	£ 375
Water & Light	£ 48	£ 48	£ 48	£ 40	£ 50	£ 55	£ 62
Education	£ 12	£ 15	£ 20	£ 15	£ 15	£ 16	£ 18
Rates	£ 5	£ 5	£ 5	£ 5	£ 6	£ 6	£ 8
Car	£ 60	£ 60	£ 60	£ 50	£ 60	£ 60	£ 60
Clothing	£ 50	£ 50	£ 50	£ 25	£ 50	£ 50	£ 60
Jewellery	£ 50	£ 60	£ 60	£ 30	£ 70	£ 75	£ 60
<b>TOTAL</b>	<b>£ 585</b>	<b>£ 598</b>	<b>£ 618</b>	<b>£ 265</b>	<b>£ 616</b>	<b>£ 632</b>	<b>£ 661</b>



Exhibit 25

Exhibits

Letter Asst. Superintendent  
of Police to Messrs.  
Sirley and Kean

Exhibit 25

Letter Asst.  
Superintendent  
of Police to  
Messrs.  
Sirley & Kean  
9th January  
1960

22222

Central Division

CAA/80/56

9th January, 1960

Messrs. Sirley & Kean,  
Advocates,  
P.O. Box 5013,

10 NAIROBI

Sir,

MK/1758

I am in receipt of your letter of the 5th January, 1960 concerning Rattan Singh s/o Nagina Singh.

I have to report that at 11 a.m. on 7.1.56 a report was received by post from one R.M. Nanda to the effect that his office in Albert House, Victoria Street, has been broken into between 2 p.m. on 31.12.55 and 9 a.m. on 3.1.56.

20 On investigation it would appear that entry was gained to the office by forcing with a jenny, and the retaining plate of the door forced off, however, by the time the report was received here the complainant had had the Yale lock repaired.

The property reported stolen by Mr. R.M. Nanda was as follows:-

- 30
- (1) "A "Glen" brand office clock.
  - (2) Some accounts books and stationery, valued at about Shs. 30/-. Amongst the books was a ledger of Mistri Nagina Singh, of Hardinge Street. This ledger was 1952/3 accounts. "

I regret that none of the above property was recovered, and I trust that the supplied information will be of assistance to you.

I am, Sir,

Your obedient servant

(J. Waugh) C.I.  
for Asst. Superintendent of Police  
CENTRAL DIVISION.

JW/BO

CERTIFIED TRUE COPY OF AN ENTRY IN THE KINGSWAY POLICE STATION Exhibits

CHARGE REGISTER FOR THE YEAR 1956

Exhibit 25

No.	00	Letter Asst. Superintendent of Police to Messrs.
Date and Time	7.1.56 10.30 a.m.	Sirley & Kean 9th January 1960
Name and Address of Complainant	R.M. Nandar & Co. Albert Building Victoria Street.	<u>(Continued)</u>
Name and Address of Accused.		
Occupation.		
10 Nationality or Tribe and Chief's Name.		
Height and Description.		
Sex.		
Offence, Section and Act.	Office Breaking and Theft c/o 301(1) of P.C. (Clock, Accts. Books and Stationary)	
Method of Arrest.		
Result and Date.	Closed Undetected 24.1.56.	
If fine paid.		
20 Property - Stolen	Shs. 50.00	
Recovered	-	
No. of Previous Convictions.		
Fingerprint Classification.		
By whom investigated	I.P. Arnall.	
If scene visited.	Yes.	
Remarks	O.B. 13 of 7.1.56.	

I certify that the above is a true copy of entry  
No. 00 in the Kingsway Police Station Charge Register  
for the year 1956.

30

sd: S. Brown  
Asst. Superintendent of Police

15.6. 1960

Exhibit 26

Adjustments to Report of 6th June, 1960

RATTAN SINGH

Adjustments to Report of 6th June taking  
the statement of work as at 31st December  
1953

Exhibits

Exhibit 26

Adjustments  
to Report  
of 6th June  
1960

Page 1 of Report

Schedule A now	(paragraph 3)	736,000.00	
Schedule B1	(paragraph 6)	1,152,645.75	
		<hr/>	
10		366000.00	
Mr. Rattan Singh's private expenditure for 8 years (bottom page 1) (per schedule attached)		227000.00	
		<hr/>	
		593,000.00	Total income for 8 years
		<hr/>	

RATTAN SINGH

Exhibits

Cook Sutton & Co. report 6th June 1960

Exhibit 26

Amendment for calculation 1946/1953

Adjustments  
to Report  
of 6th June  
1960  
(Continued)

Page 2 paragraph 2

Total income 1946 to 1953 -	593,000.00
Less: Profit Grogan Road	30,000.00
	<hr/>
Total taxable income for 8 years	513,000.00
Deduct Rents per Income Tax Dept.	348,302.00
	<hr/>
Overheads equal	164,698.00
	150,650.00
	<hr/>
Gross Trading income	315,348.00
	<hr/> <hr/>

Turnover

1946	150,000.00
1947	500,000.00
1948	595,000.00
1949	260,000.00
1950	460,000.00
1951	700,000.00
1952	1,300,000.00
1953	740,000.00
	<hr/>
	4,865,000.00
	<hr/> <hr/>

Page 3 paragraph 5

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RATTAN SINGH

Exhibits

COOK SUTTON & COMPANY'S REPORT PAGE 3

Exhibit 26

AMENDMENTS FOR CALCULATION 1946/1953

Adjustments  
to Report  
of 6th June  
1960  
(Continued)

Year	<u>Estimated Gross Profits</u>	<u>Overhead Expenses</u>	<u>Net Trading Profits</u>
1946	21,300.00	13,000.00	8,300.00
1947	51,667.00	15,000.00	36,667.00
1948	49,836.00	17,900.00	31,936.00
1949	17,316.00	10,900.00	6,916.00
10 1950	32,069.00	14,250.00	17,819.00
1951	49,885.00	30,000.00	19,885.00
1952	71,265.00	23,600.00	47,665.00
1953	<u>21,300.00</u>	<u>26,000.00</u>	<u>4,620.00 (Loss)</u>
	<u>315,348.00</u>	<u>150,650.00</u>	<u>164,698.00</u>

The total rents are now added back.

previous report shows Shs. 144,350/-.

Year	<u>Net Trading Income</u>	<u>Rents accrued per Income Tax Dept.</u>	<u>Total</u>
20 1946	8,300.00	35,800.00	44,100.00
1947	36,667.00	35,800.00	72,467.00
1948	31,936.00	33,526.00	70,512.00
1949	6,916.00	40,382.00	47,298.00
1950	17,819.00	44,684.00	62,503.00
1951	19,885.00	46,674.00	66,559.00
1952	47,665.00	50,061.00	97,726.00
1953	<u>4,620.00 (Loss)</u>	<u>56,375.00</u>	<u>51,755.00</u>
	<u>164,698.00</u>	<u>348,302.00</u>	<u>513,000.00</u>

RATTAN SINGH

Exhibits

Adjustment of Report Cook Sutton & Co.

Exhibit 26

Page 4 to Statement of Worth 1953 Contd.

Adjustments  
to Report  
of 6th June  
1960

(Continued)

Year	Total Income Including Gian Singh's Rents	Gian Singh's Rents	of Property	Rattan Singh's Assessable Income
1946	44,130.00	11,726-00	1900-00	34,354-00
1947	72,467.00	11,726-00	1900-00	62,641.00
1948	70,512.00	11,726.00	1900-00	60,636.00
10 1949	47,290.00	14,520.00	1900-00	34,678.00
1950	62,503.00	14,520.00	1900-00	49,883.00
1951	66,559.00	14,520.00	2400-00	54,439.00
1952	97,726.00	14,520.00	2400-00	85,606.00
1953	51,735.00	15,897.00	2400-00	38,253.00
	<u>513,000.00</u>	<u>109,155.00</u>	<u>16700-00</u>	<u>420,545.00</u>

We conclude by comparing these figures with those in the taxpayer's returns on the one hand and the "income" which has been assessed on the other.

Year	Total Income Returned £	Total Calculated as above £	Income Assessed £
1946	1,168- 4-00	1,717.14.00	3,335. 0.00
1947	367- 3-00	3,132. 1.00	8,135. 0.00
1948	937- 0-00	3,034. 6.00	6,053. 0.00
1949	933- 0-00	1,733.18.00	7,449. 0.00
1950	1,621- 0-00	2,494. 3.00	8,100.00.00
1951	1,244- 0-00	2,731.19.00	5,424. 0.00
1952	3,333- 0-00	4,230. 6.00	14,566. 0.00
1953.	3,402- 0-00	1,912.18.00	10,914. 0.00
20	<u>14,015. 7.00</u>	<u>21,027. 5.00</u>	<u>64,026. 0.00</u>

RATTAN SINGH

APPENDIX SCHEDULE "A" ADJUSTED

Exhibits

Exhibit 26

Adjustments  
to Report of  
6th June  
1960

DETAILS

	Properties	326,225.00	326,225.00		Nil	
	Motor Vehicles	11,400.00	11,400.00		Nil	
	Plant & Machinery					
	Total Fixed Assets	<u>1,500.00</u>	<u>1,500.00</u>		Nil	
		339,125.00		339,125.00		
10	International Bank of India Ltd. Securities :- 2 Deferred shares of 1 Rupee each 20 Ordinary shares of 100 Rupees each		3,003.00		3,003.00	Nil
	Fixed Deposit Accounts:-					
	State Bank of Jullundur City	154,500.00	155,550.00		1,050.00	
	National Bank of India	46,000.00	46,000.00		Nil	
	Post Office	<u>884.77</u>	<u>884.77</u>		<u>Nil</u>	
		201,384.77		202,434.77		+ 1,050.00
20	Cash at Banks:- State Bank of Jullundur City	746.00	884.00		98.00	
	National Bank Amritsar	87,613.00	87,613.00		Nil	
	Nairobi	64,997.06	64,997.06		Nil	
	Barclays Bank - Rattan Singh's Account	87,999.10	87,999.10		Nil	
	Cash in hand	525.33	525.33		Nil	
	Sundry Debtors (Trade)	32,685.28	32,685.28		Nil	
	"    "    (Rents)	289.00	289.00		Nil	
	Stock	<u>2,718.00</u>	<u>2,718.00</u>		<u>Nil</u>	
		277,572.77	277,670.77		+ 98.00	
30	Deduct Sundry Creditors	<u>35,602.25</u>	<u>35,603.25</u>			
		241,970.52		242,068.52		
		<u>785,483.29</u>		<u>786,631.29</u>		<u>1,148.00</u>

RATTAN SINGHSCHEDULE B.1ExhibitsBALANCE SHEET AS AT 31st DECEMBER 1953

Exhibit 26

Adjustments  
to Report  
of 6th June  
1960  
(Continued)

Properties per schedule	610,425.00	
Deduct Sale at cost	<u>113,000.00</u>	497,425-00
<u>Fixed Deposit Accounts</u>		
Statement Bank of India-Jullundur		
City	229,500-00	
National Bank of India -Amritsar	132,613.00	
Post Office Savings Bank	<u>1,101.00</u>	363,214.00
10 State Bank - Jullundur City	9,816.00	
Securities :-		
2 Deferred shares of 1 Rupee		
20 Ordinary shares of 100 rupees		
each	<u>3,003.00</u>	12,819.00
<u>Partnership Interest</u>		
Per Balance Sheet submitted by Col. Bellman		
opening capital 1st January, 1954.		279,187.75.
		<hr/>
		<u>1,152,645.75</u>



RAJAT SINGH

Exhibits

Exhibit 26

SCHEDULE "C" ADJUSTED 1946/53

Adjustments  
to Report  
of 6th June  
1960  
(Continued)

Original totals submitted			
	1946	11,854.50	
	1947	11,960.00	
	194	13,445.00	
	1949	20,621.35	
	1950	23,276.35	
	1951	26,271.43	
10	1952	24,275.00	
	1953	24,557.00	
		<u>161,260.63</u>	
			161,260.63
 <u>Add:</u>			
	Items conceded by Cook Sutton & Co.		
	Business repairs disallowed	16,000-00	
	Repairs relatives houses	1,200-00	
	Repairs own house	7,680.00	
20	Donations (estimated)	7,000.00	
	Education (per interview notes)	26,400.00	
	Legal expenses disallowed	7,500.00	
	Medical Expenses	3,000.00	
		<u>68,780.00</u>	
 <u>Less:</u>			
	Education included in original Schedule	2,500.00	66,200-00
		<u>227,460.63</u>	
30	Say		<u>227,000.00</u>

Exhibit 27(A)

Exhibits

Exhibit 27(A)  
 Additions to  
 Assets etc.,  
 made by  
 Commissioner  
for Income Tax

RATTAN SINGH s/o NAGINA SINGH

Additions to assets 31.12.53.

	Properties	7,414
	Business Machinery	759
	Personal Jewellery & Effects	12,000
	Stock	55,000
10	Retention money - Moshi	15,000
	Creditor - wife's name	30,000
	Other creditors (round sums)	55,980
	Gian Singh - total credited to him in Balance Sheets 1948 to 1953	142,238
	Grogan Road Rents in hands of advocates	24,000
	Cash overdrawn	9,738
20	Rents stated to be due but not in books	10,266
	Debits to contracts	44,750
		<hr/>
		Sh. 407,145
		<hr/> <hr/>

ExhibitsRATTAN SINGH s/o NAGINA SINGH

Exhibit 27(A)  
Additions to  
Assets etc.,  
made by  
Commissioner  
for Income Tax  
(Continued)

Drawings adjustments to Messrs.  
Cook, Sutton and Co.'s.  
Schedule C as amended.

Gift to Gian Singh	30,000	
Estate Duty Paid	5,666	
Payment to M.L. Medjee 1949	2,000	
Payment to Architect 1952	2,500	
Personal Tax	280	
Fares to India 1949 & 1951	10,000	10
Gun Licences @ 70 p.a.	560	
Personal Expenditure charged to contracts as per schedule D of 2nd Report	10,489	
Presents and gifts	30,000	
1953 Drawings schedule - liquor	1,200	
	<hr/>	
	92,695	
Further Household and living expenses, holidays, entertain- ment, cost of remittances to Indian Banks, annual costs of undeveloped Mombasa plot etc., 8 years @ 11,000/-	88,000	20
	<hr/>	
	Shs.180,695	
	<hr/> <hr/>	

RATTAN SINGH s/o NAGINA SINGH

Exhibits

Accounts adjustments - 1948 - 1953

Exhibit 27(A)  
Additions to  
Assets etc.,  
made by  
Commissioner  
for Income Tax  
(Continued)

Commissions		875	
Legal Expenses per accounts	36,506		
Less amount included by Cook Sutton & Co.	7,500	29,006	
Depreciation per accounts	32,093		
Less Income Tax allowance	27,479	4,614	
<span style="margin-left: 40px;">10</span> Accountants' charges re. Investigation included in Accounts and so reducing business capital		15,000	
Motor Expenses estimate for personal use		12,500	
Demolition of Intiazali Road property		5,000	
African Wages estimate		10,000	
		_____	
		Shs. 76,995	
		=====	

Exhibits

RATTAN SINGH s/o NAGINA SINGH

Exhibit 27(A) Additions to Assets etc., made by Commissioner for Income Tax (Continued)	Total Income for 8 years per Messrs. Cook, Sutton & Co. as amended March, 1961	593,000	
	Adjustments to capital at 11.1.46	1,673	
	Adjustments to capital at 31.12.53	407,145	
	Adjustments to Accounts for 1948 to 1953 as schedule attached	76,995	10
	Drawings adjustments to Messrs. Cook, Sutton & Co.'s Schedule C as schedule attached	180,695	
		<hr/>	
	Amended total income for the 8 years 1946 to 1953 inclusive as compared with the figure of Sh.593,000 above	Shs. 1,259,508	
		<hr/> <hr/>	
	(£62,975)		20
	To this figure must be added N.A.V. of property for the 8 years 1946 to 1953 inclusive	Shs. 16,700	
		<hr/>	
		Shs. 1,276,208	
		<hr/> <hr/>	
	(£63,810)		

RATTAN SINGHADJUSTMENTS CONCEDED BY APPELLANT

Total income for 8 years per amendments to report 6th June, 1960.	593,000.00
--	------------

## Add:

	Gian Singh's rents included in Balance Sheet 31.12.53	85,700-00	
10	Estate Duty Paid	5,666.00	
	Payment to M.L. Medjee 1949	2,000.00	
	Payment to Architect 1952	2,500.00	
	Fares to India	10,000.00	
	Personal expenditure charged to contracts	10,489.00	
	Presents and Gifts etc. (adjusted see note below)	16,895.00	
	Depreciation balance	4,614.00	
20	Accountants charges included in Balance Sheet 1953	15,000.00	
		<u>152,863.00</u>	
			745,864.00

## Less:

	Capital Profit Grogan Road	80,000.00	
	Gian Singh rents 8 years	109,155.00	
		<u>189,155.00</u>	
			556,709.00
30	Add: N.A.V. property as shown in amendments to report		<u>16,700.00</u>
	Mr. Rattan Singh's assessable income		<u>573,409.00</u>
		£	28,670

## Note.

		Shs.
	Per interview J.F. Bellman representing 10 year period	40,000.00
	Deduct 2 years 1/5	<u>8,000.00</u>
		32,000.00
40	Deduct Income Tax in Schedule 'C'	<u>8,105.00</u>
		23,895.00
	Deduct Donations included in Schedule 'C'	<u>7,000.00</u>
		<u>16,895.00</u>

RATTAN SINGH

SUMMARY OF TOTAL DRAWINGS FOR THE YEARS 1948 to 1953

	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>TOTAL</u>
Personal living expenses & net cash extracted from C.P. Thian's schedules	22,531.38	18,278.43	41,070.86	38,180.39	14,106.60	37,626.95	171,794.61
	4,000.00	16,000.00	17,000.00	17,000.00	17,500.00	17,500.00	89,000.00
	26,531.38	34,278.43	58,070.86	55,180.39	31,606.60	55,126.95	260,794.61

Add:

Arbitrary add back by  
Income Tax  
Department

SCHEDULE 'C'

Exhibits

RATTAN SINGH - DRAWINGS

Exhibit 28  
Adjustments  
conceded by  
Rattan Singh  
(Continued)

<u>1948</u>			<u>Debit</u>	<u>Credit.</u>
Feb. 2.	To Oriental Dairy		174-00	
Mar. 2.	" Cash		1450-00	
" 2.	" Soni Jammadas		417-00	
Apr. 17.	" Oriental Dairy		35-25	
10 " 21.	" Shoes		40-00	
" 27.	" Clothing		563-00	
May 14.	" Do.		315-00	
July 14.	" Oriental Dairy		285.50	
Aug. 16.	" United Dairies		38-40	
Oct. 30.	" Oriental Dairy		463-25	
Nov. 30.	" Tailor		50-00	
20 " 30.	" Cash		550-00	
Dec. 31.	" Oriental Dairy		116-00	
" 31.	" Cash 6,179/91		5829-00	
" 31.	" Cash		10000-00	
" 31.	" Light & Water for year		1920-00	
" 31.	" Cash		293-89	

30

22,531-38



1949

Exhibits

<u>1949.</u>		<u>Debit</u>	<u>Credit</u>
Feb. 8.	To United Dairy	30.60	
" 15.	" Oriental Dairy	126.00	
Apr. 19.	" Oriental Dairy	40.00	
May 31.	" School Fees	8.00	
Jun. 13.	" Oriental Dairy	118.25	
July 29.	" Cash	15000.00	
" 31.	" House Account	40.00	
10 Aug. 26	" Do.	48.00	
" 30.	" Do.	222.50	
Sept. 20.	" Kristna D.	197.50	
" 30.	" House Account	40.00	
Oct. 31.	" House Account	168.70	
" 31.	" Do.	2.60	
Nov. 8.	" Provision Store	55.00	
" 30.	" House Account	41.28	
" 30.	" School Fees	19.00	
Dec. 10.	" Oriental Dairy	171.00	
20 " 31.	" House Account	30.00	
" 31.	" Water & Light for House	1920.00	
		<hr/>	
		18278.43	
		<hr/> <hr/>	

Exhibit 28  
Adjustments  
conceded by  
Rattan Singh  
(Continued)

1950

Exhibits

Exhibit 28  
Adjustments  
conceded by  
Rattan Singh  
(Continued)

<u>1950.</u>		<u>Debit</u>
Jan. 3.	To Tailor	881.60
" 18.	" Cash	27.30
" 22.	" Sheeting	89.00
Feb. 27.	" Electric Light	43.00
" 17.	" Post Office	30.00
" 31.	" Cash	106.58
Mar. 13.	" Ghoa	230.00
10 " 16.	" Cash	7.60
Apr. 20.	" Do.	25.10
" 30.	" Milk	244-30
May 31.	" Cash	432.40
June 12.	" Cloth	260.00
" 20.	" Oriental Dairy	156.52
" 30.	" Cash	61.20
" 30.	" Wages	528.00
July 23	" Oriental Dairy	64.40
" 29.	" Cash	43.40
20 Sept. 20.	" Milk	157.08
Nov. 26.	" Cash	5000.00
Dec. 30.	" Cash	30000.00
" 30.	" Abass Merchant	532.53
" 30.	" C. M. Joshi	230.95
" 30.	" Water & Light for year	1920.00
		<hr/> <hr/>
		41,070.86
		<hr/> <hr/>

1951

Exhibits

Exhibit 28  
Adjustments  
conceded by  
Rattan Singh  
(Continued)

<u>1951</u>			<u>Debits</u>	<u>Credits</u>	
	Jan. 15.	To Tailor	800.00		
	Mar. 15.	" Oriental Dairy	422.77		
	May. 11.	" Cash	3059.00		
	" 31.	" Do.	24000.00		
	Jun. 20.	" Bullows & Roy	3.00		
10	" 27.	" Oriental Dairy	145.00		
	Jul. 16.	" Fruit etc.	18.50		
	Aug. 9.	" Tailor	378.00		
	" 31.	" 4 Buttons	227.50		
	Sep. 24.	" Cash	555.00		
	Oct. 22.	" Grocer	700.55		
	Nov. 1.	" Cash	5000.00		
	" 7.	" Laundry	48.50		
20	" 23.	" Oriental Dairy	287.50		
	" 23.	" Bill Karamshi	703.18		
	Dec. 1.	" Wireless Licence	30.00		
	" 31.	" Shoemaker	55.00		
	" 31.	" Oriental Dairy	62.23		
	" 31.	" Light & Water	1920.00		
	" 31.	" Cash	5807.00		
30			<hr/>		
			29223.73		
	Dec. 31.	Less:			
		G.M. Joshi	660.10		
		Bal. of Cash	<u>383.24</u>	<u>1043.34</u>	
				<u>38,180.39</u>	

1952

Exhibits

Exhibit 28  
Adjustments  
conceded by  
Rattan Singh  
(Continued)

<u>1952.</u>			<u>Debits</u>
Jan.	14.	To 4 Cases Butter	600.00
"	20.	" Cash	1020.00
Feb.	29.	" 2 Bottles Whisky	50.10
May	6.	" Laundry	102.00
"	14.	" Tailor	925.00
Jun.	30.	" Cloth	343.00
Aug.	30.	" Cash	400.00
10 Sept.	5.	" Shoemaker	76.00
Oct.	8.	" Oriental Dairy	716.06
"	8.	" Expenses	167.00
"	2.	" Cash	574.00
"	22.	" Cash	122.88
Dec.	31.	" Laundry	65.00
"	31.	" Cash	5000.00
"	31.	" Abass Merchant	2025.00
"	31.	" Water & Light for year	1920.00
			<hr/>
			14106.60
			<hr/> <hr/>

20

1953

Exhibits

Exhibit 28  
Adjustments  
conceded by  
Rattan Singh  
(Continued)

<u>1953.</u>			<u>Debits</u>
	Jan. 3	To Cash	125.00
	31.	" Cash	800.00
	Feb. 27.	" Cash	260.00
	27.	" Cash	1000.00
	27.	" Suit	400.00
	Mar. 10.	" Shoes	106.00
	13.	" Oriental Dairy	353.83
10	14.	" Cloth	252.00
	14.	" Cash	400.00
	23.	" Repairs	55.00
	Apl. 16	" Cash	500.00
	16.	" Do.	500.00
	29.	" Do.	650.00
	May 5.	" Do.	170.00
	9.	" Sweets	278.00
	9.	" Suit	300.00
	19.	" Cash	5000.00
20	Jun. 17.	" Cash	255.00
	23.	" Tailor	260.00
	23.	" Oriental Dairy	324.35
	23.	" Invitation Card	140.00
	27.	" Sweets	369.00
	29.	" Cash	2000.00
	Jul. 18	" Tailor	120.00
	Aug. 18.	" Cash	1000.00
	1.	" Cash	3000.00
	1.	" Case Whisky	300.00
30	4.	" Central Laundry	76.50
	Sep. 2.	" Oriental Dairy	444.30
	22.	" Tailor	790.00
	26.	" Cash	1000.00
	Nov. 15.	" Fernandes	145.00
	27.	" 3 Cases Liquor	856.00
	30.	" Shoes.	36.00
	30.	" Cash	5000.00
	Dec. 28.	" Cash	1000.00
	31.	" Oriental Dairy	34.49
40	31.	" Water & Light for year	1920.00
	31.	" Cash	2555.50
			<hr/>
			32775-97
	Sep. 26.	" Balance of cash	4850.98
			<hr/>
			37626.95
			<hr/>

1532.

RATTAN SINGHCOMPARISON OF PERCENTAGE TO TURNOVER

	Assessment on trading	Turnover per Cook Sutton	% of Assess- ment to turnover	Turnover per C.P. Thian A/C includ- ing Adjust- ment	% of Assess- ment to turn- over
	£	Shs.		Shs.	
10	1,500	150,000	20%	-	-
	6,250	580,000	21.5	-	-
	4,032	595,000	13.5	711,696	11.3
	5,710	260,000	43.9	281,619	40.6
	5,771	460,000	25.1	509,472	22.6
20	2,945	700,000	8.4	670,342	8.8
	11,543	1,380,000	16.8	1,424,676	16.2
	3,575	740,000	9.6	1,093,158	6.5

## Notes:

1. No accounts were prepared by Mr. C.P. Thian for 1946 and 1947.
2. Profit shown for 1953 does not include "capital" profit on Grogan Road Sale £4,000.
3. Details of method of calculation of turnover per Cook Sutton & Co. have given in evidence.
- 30 4. In 1951 and 1953 a gross loss on contracting was shown by C.P. Thian this accounts for the comparatively low percentages in these years.
5. C.P. Thian's "turnover" 1953 includes Moshi contract and Nairobi work in progress of Shs. 120,000/-.

Exhibit B

Exhibits

Exhibit B  
Report of  
Messrs. Cook  
Sutton & Co.  
6th June 1960

6th June, 1960.

Messrs. Sirley & Kean,  
Advocates,  
Princes House,  
Government Road,  
NAIROBI

10 Dear Sir,

We should be obliged if you would substitute this report for the one forwarded to you on the 3rd June, 1960.

The changes we have made are mainly attributable to following matter:-

20 a) We have obtained a list of creditors as at 1st January 1946 and it is apparent that the debtors we expressed in the note at the foot of Schedule A of our earlier report were fully justified. They included the following amounts due either to Mr. Rattan Singh himself or the members of the family that which have never been paid:-

Gian Singh	1,612.77
Rattan Singh	38,678.85
Bhajan Singh	4,800.00
Surjit Singh	4,550.00
Inderjit Singh	3,928.50
Basant Kaur	175.00

30

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53,745.12

---

We have adjusted for this by adding this amount to the opening assets.

b) We think the figures we took for stock and work in progress at the end of 1947 may have been too high and have adjusted the 1947 and 1948 turnover figures accordingly. The total, of course, is not affected.

Exhibits

Exhibit B  
Report of  
Messrs. Cook  
Sutton & Co.  
6th June 1960  
(Continued)

- c) We have altered the weightings attached to the various years to some extent after further discussion as to trading conditions generally during the period.
- d) We have adjusted for the rents due to Mr. Gian Singh.

Yours faithfully,

COOK SUTTON & CO.

Sd. C. S. & CO.

10

6th June, 1960.

AMB.

Messrs. Sirley & Kean  
Advocates,  
Government Road,  
P.O. Box 5018  
NAIROBI

Dear Sirs,

re: MR. RATTAN SINGH

When we were asked to prepare a report of Mr. Rattan Singh's tax position we were struck at once by the fact that the unusual method of raising assessments in back duty cases, namely basing them on Statement of Worth, has not been adopted.

20

We saw no reason why the normal practice should not be followed in this case and we have made our calculations accordingly. It is abundantly apparent from them that the Income Tax Department has raised assessments by reference to figures for "income" which are very greatly in excess of what is justified by the available information. We will describe in some detail the procedure we have followed and conclusions.

30

It was convenient that the opening statement of Mr. Rattan Singh's worth should be compiled as at the date of his father's death, i.e. the 11th January, 1946 rather than the 1st January, 1946,



and we have assumed that the dates coincide for the present purpose. We take as our opening asset figure Shs. 785,000/-. Details are given in Schedule 'A' hereto.

Exhibits

Exhibit B  
Report of  
Messrs. Cook  
Sutton & Co.  
6th June 1960  
(Continued)

10 Choice of the closing date was less easy. It seems that the Department would not have agreed figures as at 31st December, 1953 because there was no detailed valuation of the stock and work in progress at that date; indeed the Department asserts that the closing figures of these items for 1953 should be greater than the opening figures for 1954, on the ground, apparently that the 1954 figures were a matter of "give and take".

Clearly, therefore, it was necessary for us to compute our closing Statement of Worth at a later date and work back. Stock and Work in Progress were in fact agreed as at the 31st December, 1957 and we have, therefore, continued our investigation to that date.

20 The net figure for Mr. Rattan Singh's worth at the 31st December 1957 is set out in Schedule 'B' (Schedule as before) and amounts to Shs.986,000/-.

His Net increase in worth during the 12 years from 1st January 1946 to 31st December 1957 is therefore, Shs.201,000/-.

We have taken Mr. Rattan Singh's private expenditure for the 12 years as Shs.414,000/-.

30 The details of which figure is composed are set out in Schedule 'C' (Schedule as before).

By adding this figure to the Shs.201,000/- referred to above we arrive at a total income for 12 years of Shs.615,000/-.

40 The next step is to eliminate part of this income as is attributable to the last four years of the period. We do this by taking the income set out in the audited accounts for 1955 to 1957 inclusive and the income assessed in 1954 (since the accounts for that year were not accepted for tax purposes).

Exhibits

The figures are as follows:-

Exhibit B	1954	Shs.	70,000	
Report of	1955	Shs.	23,531	
Messrs. Cook	1956	Shs.	37,624 (Loss)	
Sutton & Co.	1957	Shs.	30,234	
6th June 1960				
<u>(Continued)</u>				
			<hr/>	
		Shs.	86,141	
			<hr/>	

That leaves a net figure of total income for 1946 to 1953 inclusive of Shs.529,000/-.

It is not disputed that of this sum Shs.67,000/- represents the surplus of the sale of the Grogan Road Property. This can be treated separately since we know it definitely arose in 1953 and since there is subsidiary issue as to whether it is a capital surplus or taxable as income. 10

Deducting this sum we arrive at a total taxable income for the 8 years of Shs.462,000/-.

From this we deduct rents received, as listed, at the foot of the next page, amounting to (say) Shs.317,650/- giving a total trading income for the period of Shs.144,350/-. 20

The next step is to estimate the gross as distinct from the net trading income for the period by adding back the overhead expenses as follows:-

1946	Shs.	13,000	
1947	Shs.	15,000	
1948	Shs.	17,900	
1949	Shs.	10,900	
1950	Shs.	14,250	
1951	Shs.	30,000	
1952	Shs.	23,600	
1957	Shs.	26,000	
		<hr/>	
	Shs.	150,650	
		<hr/>	

This figure added to Shs.144,350/- gives a gross trading income of Shs.295,000/-.

We now have to spread this sum over the year concerned; In doing this we have had the benefit of the professional advice of Mr. C.C.W. Ogilvie

F.R.I.B.A. of Messrs. Blackburne Norburn, as well as the views of Mr. Rattan Singh, and we have taken the following factors, inter alia, into account:

Exhibits

Exhibit B  
Report of  
Messrs. Cook  
Sutton & Co.  
6th June 1960  
(Continued)

1. The turnover for the years in question, the approximate figures for which are as follows:

1946	Shs.	150,000
1947		575,000
1948		595,000
1949		260,000
1950		460,000
1951		700,000
1952		1380,000
1953		740,000

10

2. The general conditions in the building trade at different period in the Colony.

3. The types of contract into which Mr. Rattan Singh was entering.

4. We have ignored wear and tear throughout because over a period as a result of the system of balancing charges and allowances it should approximate to the depreciation written off in the commercial accounts. In any case the capital allowances were written small in comparison with other items.

20

In all the circumstances we decided that the most appropriate way to allocate the profit between the 3 years in question was to divide it in the following proportions:-

30: 72½: 70: 25: 45: 70: 100: 30:

30

The result of doing this and then deducting the overhead expenses for each year in order to arrive at the annual net trading profits is shown by the following table:

<u>Exhibits</u>	<u>Year</u>	<u>Estimated gross Profits</u>	<u>Overhead Expenses</u>	<u>Net Trading Profits</u>	
Exhibit B					
Report of	1946	Shs. 20,000	13,000	7,000	
Messrs. Cook	1947	48,333	15,000	33,333	
Sutton & Co.	1948	46,666	17,900	28,766	
6th June 1960	1949	16,667	10,900	5,767	
<u>(Continued)</u>	1950	30,000	14,250	15,750	
	1951	46,667	30,000	16,667	
	1952	66,667	23,600	43,067	
	1953	20,000	26,000	6,000 (Loss)	10
		<u>295,000</u>	<u>150,600</u>	<u>144,350</u>	

The total rents are now added back.

<u>Year</u>	<u>Net trading income</u>	<u>Rents received</u>	<u>Total</u>	
1946	Shs. 7,000	(say) 32,000	39,000	
1947	33,333	34,000	67,333	
1948	28,766	34,267	63,033	
1949	5,767	40,487	46,254	
1950	15,750	39,022	54,772	
1951	16,667	48,949	65,616	
1952	43,067	40,550	83,617	20
1953	6,000	40,550	42,417	
	<u>144,350</u>	<u>317,692</u>	<u>462,042</u>	

To arrive at Mr. Rattan Singh's total assessable income it is now necessary to deduct the rents due to Mr. Gian Singh:

<u>Year</u>	<u>Income including Gian Singh's Rent</u>	<u>Gian Singh's Rents</u>	<u>Mr. Rattan Singh's assessable income</u>	
1946	Shs. 39,000	11,726	27,274	
1947	67,333	11,726	55,607	
1948	63,033	11,726	51,307	30
1949	46,254	14,520	31,734	
1950	54,772	14,520	40,252	
1951	65,616	14,520	51,096	
1952	83,617	14,520	69,097	
1953	42,417	15,897	26,520	
	<u>462,042</u>	<u>109,155</u>	<u>352,887</u>	

We conclude by comparing these figures with those in the taxpayers Returns on the one hand and the "income" which has been assessed on the other:

Exhibits  
Exhibit B  
Report of  
Messrs. Cook  
Sutton & Co.  
6th June 1960  
(Continued)

Year	<u>Total Income Returned</u>	<u>Year calculated as above</u>	<u>Income Assessed</u>
1946	£ 1,168. 4. 0.	£ 1,363.14. 0.	£ 3,385. 0. 0.
1947	867. 3. 0.	2,780. 7. 0.	8,135. 0. 0.
1948	887. 0. 0.	2,565. 7. 0.	6,053. 0. 0.
10 1949	938. 0. 0.	1,586.14. 0.	7,449. 0. 0.
1950	1,621. 0. 0.	2,012.12. 0.	8,100. 0. 0.
1951	1,244. 0. 0.	2,554.16. 0.	5,424. 0. 0.
1952	3,888. 0. 0.	3,454.17. 0.	14,566. 0. 0.
1953	3,402. 0. 0.	1,326. 0. 0.	10,914. 0. 0.
	<u>£ 14,015. 7. 0.</u>	<u>£ 17,644. 7. 0.</u>	<u>£ 64,026. 0. 0.</u>

Whether or not £3,350 should be added to these figures is a matter for legal argument.

20 We find it difficult to comment on the assessments apart from saying that we see nothing that can possibly justify them. We have made our calculations on the same information as was available to the Income Tax Department but in accordance with normal practise in this type of case and we think the figures speak for themselves.

Yours faithfully,

COOK SUTTON & CO.

SCHEDULE "A"ExhibitsRATTAN SINGHExhibit B  
Report of  
Messrs. Cook  
Sutton & Co.  
6th June 1960  
(Continued)STATEMENT OF WORTH AS AT 11TH JANUARY, 1946

Properties		326,225-00	
Motor Vehicles		11,400-00	
Plant & Machinery		<u>1,500-00</u>	
Total Fixed Assets		339,125-00	
Securities 3 shares National Bank of India			3,003-00
10 Fixed Deposit Accounts			
State Bank of India			
Jullunder City	154,500-00		
National Bank of India - Nairobi	46,000-00		
Post Office	<u>884-77</u>	201,384-77	
Cash at Banks			
State Bank	746-00		
National Bank - Amritsar	87,613-00		
20 National Bank - Nairobi	64,997-06		
Barclays Bank Rattan Singh a/c	87,999-10		
Cash in hand	525-33		
Sundry Debtors	32,685-28		
"        "        Rents	289-00		
Stock	<u>2,718-00</u>		
	277,752-77		
Deduct Sundry Creditors	<u>35,602-25</u>		
Net Working Capital		<u>241,966-52</u>	
30 Total Assets		<u>785,479-29</u>	

Properties Interest In Net Assets

Capital Account 785,479-29

Note:

According to Mr. Thian's report, he estimated that in addition to the inherited assets Mr. Rattan Singh had some 31820 shillings cash on his own account. For the purpose of our report but without prejudice to our reviewing the position if necessary we have virtually ignored this cash since we have taken the opening net assets at the round figure of 735,000 shillings. We have also adopted Mr. Thian's figure for creditors, again, without prejudice, though these seem much too high as far as we can tell.

SCHEDULE "B"

Exhibits

RATTAN SINGH

Exhibit B  
Report of  
Messrs. Cook  
Sutton & Co.  
6th June 1960  
(Continued)

STATEMENT OF WORTH AS AT 31ST DECEMBER  
1957

	Properties as at 31st December, 1953	482,425-00	
	New Delhi Property purchased 1955	<u>147,000-00</u>	629,425-00
10	Securities (3 shares National Bank of India)		3,003-00
	<u>Fixed Deposit Accounts:-</u>		
	State Bank of India - Jullunder City	199,500-00	
	National Bank of India - Amritsar	87,613-00	
	Post Office Savings Bank	<u>1,001-00</u>	
20			288,144-00
	<u>Cash at Banks :-</u>		
	State Bank - Jullunder City	337-00	
	National Bank of India - Amritsar	<u>31,617-00</u>	
			31,954-00
	Interest in Partnership Assets		33,732-55
			<u>986,288-55</u>

Note:

30 Accumulated Interest is not included in the  
valuation of deposits with banks in India.

RATTAN SINGH  
DRAWINGS SCHEDULE  
SCHEDULE 'C'

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>
Estimated Food and Household Expenses	11,700.00	11,960.00	12,360.00	5,300.00	12,320.00	12,640.00	13,220.00	12,760.00	12,000.00	12,000.00	12,000.00	12,000.00
Income Tax			108.00) 2,899.00)	883.00		544.00	2,239.00	1,540.00			28,209.00	75,000.00
Personal Tax			60.00		180.00					230.00		200.00
Life Insurance			1,618.00	1,618.00							4,317.20	4,719.40
Paid to T.Cook-India				3,764.35						7,092.00		
Cash given to Gian			1,400.00	900.00								
Remitted to Gian U.K.				2,006.00	10,701.00	10,029.00	8,016.00	10,027.00				
Interest on Site Tax					75.35							
Purchase of car radio						908.43						
Tuition Fees						200.00						
Immigration Dept.						1,200.00						
Purchase of Pistol							800.00					
D.A.V. High School								230.00	455.00			
Temple Fund									3,000.00			
Accounting												9,000.00
Indian Expenditure	154.50			6,150.00		750.00			7,500.00	63,450.00		1,500.00
	11,854.50	11,960.00	18,445.00	20,621.35	23,276.35	26,271.43	24,275.00	24,557.00	22,955.00	82,772.00	44,526.20	102,419.40

Total for 12 years 413,933.23



EXHIBIT E

Exhibits

Letter, Fakir Singh  
to Rattan Singh

Exhibit E  
Letter, Fakir  
Singh to  
Rattan Singh  
30th September  
1957

30.9.1957.

Dear Rattan Singh,

From Fakir Singh.

10 Greetings. We are well here. Hope you  
same there. Received your letter. I wrote to you  
about my money. You never replied me. I gave you  
Rs.20,000/- which you deposited at Amritsar Bank.  
Now I want this money very badly. Kindly arrange  
to send soon. The money which I gave to you in the  
month of June, 1952, which totals to Rs.20,000/-.  
Please return this money to me soon, I need it  
very badly. I have been writing to you for  
repayment of this money as soon as possible as I  
intend to start my own business. If you will delay  
the sending of this money. I will be at a great  
loss. I want this money because I want to start  
20 my business with this money. I need not remind  
you again and again as you know that everybody  
requires money. I have had a letter from Colonel  
Sahib before the receipt of your letter. He wrote  
to me from Jammu and informed me that Bhajan Singh  
got a son. I received letter at Dhade when I  
returned from Jullunder. We are all very happy  
to know that. My regards to you, to your wife,  
Bhajan Singh and others. All of you must have  
rejoiced the birth of baby. Kindly send us a  
30 bottle of whisky for merriment. All children  
are well here. Remember me to uncle, aunt and  
their children. Kindly reply to this letter soon.

FAKIR SINGH.

DOCUMENTS TENDERED IN THE COURT OF APPEAL

Schedule of Total Income, 1946 to 1953

R A T T A N S I N G H

SCHEDULE OF TOTAL INCOME FOR INCOME TAX PURPOSES FOR THE YEAR OF INCOME

Documents  
tendered in  
the Court of  
Appeal

Schedule of  
total income  
1946 to 1953

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>
Salary								
Rents Banked 1941/1945								
Rents not Banked 1941/1945								
Contrast								
Rents 1946 et Seq.	35,800.00	35,800.00	38,526.16	40,382.49	44,684.04	46,674.54	50,061.87	56,375.75
Rents Grogan Road Stores						8,000.00	8,000.00	8,000.00
Properties received for Services rendered								
Assets not accounted for								
Annual value Property	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	2,400.00	2,400.00	2,400.00
Business Profits as per separate Schedule	30,000.00	125,000.00	80,643.09	114,201.81	115,423.39	58,898.25	230,856.55	151,500.73
Shillings	67,700.00	162,700.00	121,069.25	156,484.30	162,007.43	115,972.79	291,318.42	218,276.48
Pounds Sterling	3,385	8,135	6,053	7,824	8,100	5,799	14,566	10,914
TRADE	£ 1,500	6,250	4,032	5,710	5,771	2,945	11,543	7,575
EMPLOYMENT								
Rents	1,790	1,790	1,926	2,019	2,234	2,734	2,903	3,219
Annual value property	95	95	95	95	95	120	120	120
Passage Deductions				375		375		
£	3,385	8,135	6,053	7,449	8,100	5,424	14,566	10,914
<u>Allowances</u>								
Marriage	350	350	350	350	350	350	350	350
Children	200	200	200	160	160	160	240	240
Dependant Relatives	60	60	60	60	60	60	60	60
Life Assurance	53	81	81	81				
Education	160	160	160	110	130	195	195	195
	823	851	851	761	700	765	845	845

Income Tax Computations 1946 - 1953

R A T T A N S I N G H

INCOME TAX COMPUTATIONS OF BUSINESS INCOME BASED ON THE AMENDED ACCOUNTS  
FOR THE YEAR OF INCOME

Documents  
tendered in  
the Court of  
Appeal

Income Tax  
Computations  
1946 to 1953

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>
Balance per Accounts			165,980.30	79,732.75	36,030.29	35,107.56	190,191.87	2,510.41
<u>Deduct Rents</u>			31,147.84	25,862.49	27,164.04	32,154.54	35,541.87	30,214.70
			134,832.46	53,870.26	8,866.25	67,262.10	154,650.00	32,725.11
<u>Add Commissions</u>			875.00					
Donations			202.00	200.00	116.00	2,602.00	5.00	2,053.00
Legal Expenses			5,161.28	1,234.00	2,441.14	13,212.83	6,104.65	8,352.84
Medical Expenses			500.00	198.00	300.00	1,280.00	370.00	889.00
Depreciation			1,862.00	6,110.55	5,785.00	5,020.00	7,291.00	6,025.00
Audit fee re Investigation			2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
			145,932.74	64,112.81	20,008.39	42,647.27	170,920.65	12,905.27
<u>Deduct Wear &amp; Tear as per 2nd Report</u>			1,182.00	4,661.00	1,705.00	1,171.00	7,366.00	11,394.00
			144,750.74	59,451.81	18,303.39	43,818.27	163,554.65	24,299.27
<u>Add Motor Expenses (est)</u>			2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,500.00
Stock Adjustment				11,000.00	11,000.00	11,000.00	11,000.00	11,000.00
Work in Progress Adjustment		91,207.65	91,207.65					
Cost of Parklands Plot (est)				17,500.00				16,000.00
Cost of Grogan Road Plot (est)					51,320.00			
Profit on sale of Grogan Road Building								80,000.00
Cost of demolishing Imitazali Road House (est)						5,000.00		
African Wages estimate			10,000.00					
Drawings adjustment (est)			4,000.00	16,000.00	17,000.00	17,000.00	17,500.00	17,500.00
Round sum debits to contracts			3,900.00	9,050.00	13,000.00	4,800.00	5,500.00	8,500.00
" " " " City Garage			1,000.00	1,000.00				
Cash overdrawn						8,636.55	1,101.90	
Retention money - Moshi								21,800.00
Repairs to property of Relatives (est)			200.00	200.00	200.00	200.00	200.00	200.00
Adjustment for lost deposit						5,000.00		
Cash lodged in name of Ranjit Kaur						30,000.00		
Cash lodged in Indian bank account							30,000.00	
Round sum Creditors unexplained			6,000.00		2,600.00	29,080.00		18,300.00
Estimated profits	30,000.00	33,792.35						
	30,000.00	125,000.00	80,643.09	114,201.81	115,423.39	58,898.28	230,856.55	151,500.73

INCOME TAX ASSESSMENT  
1946 - 1953

Documents  
tendered in  
the Court of  
Appeal

ADDITIONAL ASSESSMENT to ASST. No. 6944  
EAST AFRICAN INCOME TAX DEPARTMENT

Income Tax  
Assessments  
1946-1953

INCOME TAX YEAR OF INCOME 1947

FORM I.T.  
20(K) (Add)  
NOTICE OF ASSESSMENT

DUPLICATE  
FILE NO. 22,433A  
ASSESSMENT NO. B.90011

TO:

2 1 1 2

10 MR. RATTAN SINGH s/o NAGINA SINGH  
P.O. BOX 1047  
NAIROBI

Take notice that you have been assessed  
on additional income as shown hereon.

SOURCE OF INCOME	CODE	Originally Assessed	Addi- tional Income	Revised Total Income		
Agriculture	1				Income tax on	
20 Trade, Profession etc.	2	486	1014	1500	chargeable income	Sh. 12528
					Surtax on Total	
					income	Sh <u>1613</u>
Employment, Salary					TOTAL	Sh 14141
etc.	3					
quarters	4				Less Further	
Rents etc.	5	557	1233	1790	Life Assurance	
Annual Value Property	6	95		95	etc.	
Dividends	7				£ @ Sh 2/50 Sh.	
Debenture Interest	8				Double Tax Relief Sh.	
Mortgage Interest	9					
30 Interest Untaxed	10				Net Tax chargeable	Sh <u>14141</u>
Other Income	11				Less Tax Payable	
Income From United					on original	
Kingdom	12				Assessment	Sh <u>1083</u>
Income from other					Tax Payable on	Sh <u>13058</u>
Countries	13				Additional income	
<b>TOTAL</b>		1138	2247	3385	Tax paid at source	
Less Interest Paid	21				on additional income	Sh _____
Less Losses	22				Tax payable/	
Less Passage					repayable on	
40 Deduction	23				additional income	Sh 13058
<b>TOTAL INCOME</b>				3385	Tax Section 40	Sh <u>15634</u>
<b>Less Personal Allowances</b>					<b>ADDITIONAL TAX</b>	
Single Mar-Child Edu- Depen- Age Life Prov					<b>PAYABLE/REPAYABLE</b>	Sh <u>28692</u>
ried            cation    dant    Relief    Ass- Fund						
					Revised Hospital Tax	
					Payable on Total	
					Income	Sh _____
350   200   160       60				53	Less Charged on	
				823	Original Assessment	Sh _____
<b>CHARGEABLE INCOME</b>				£ 2562	<b>ADDITIONAL HOSPITAL</b>	
					<b>TAX PAYABLE</b>	Sh _____

If you dispute this additional  
Assessment you must give me notice  
of objection in writing stating  
precisely the grounds of objection  
within 30 days of the date hereof.  
A notice of objection if made  
after 30 days cannot be accepted  
unless absence from the Colony,  
sickness or other reasonable  
cause prevented due notice being  
given.

Date 21.5.58

REGIONAL COMMISSIONER OF INCOME TAX

INCOME TAX ASSESSMENT  
1946-1953

Documents  
tendered in  
the Court of  
Appeal

ADDITIONAL ASSESSMENT to ASST. No. 8775  
 EAST AFRICAN INCOME TAX DEPARTMENT

Income Tax  
Assessments  
1946-1953

INCOME TAX YEAR OF INCOME 1948

DUPLICATE

FILE No. 22,433A

ASSESSMENT NO. B.90012

FORM I.T.  
20(K) (Add)  
NOTICE OF ASSESSMENT

10 TO:  
MR. RATTAN SINGH s/o NAGINA SINGH  
P.O. Box 1047,  
NAIROBI

2 1 1 2

Take notice that you have been assessed  
on additional income as shown hereon.

SOURCE OF INCOME	CODE	Originally Assessed	Addi- tional Income	Revised Total Income		
20 Agriculture	1				Income Tax on	
Trade Profession	2	471	5779	6250	chargeable income	Sh. 33220
etc.					Surtax on Total income	Sh. <u>32468</u>
Employment,	3				TOTAL	Sh. 65688
Salary etc.	4				Less Further Life	
quarters	5	374	1416	1790	Assurance etc.	
Rents etc.	6				£ @ Sh. 2/50 Sh.	
Annual Value	7		95	95	Double Tax Relief	Sh. _____
Property	8				Net Tax Chargeable	Sh. <u>65688</u>
Dividends	9				Less Tax payable on	
30 Debenture Interest	10				Original Assessment	Sh. <u>291</u>
Mortgage Interest	11				Tax Payable on	
Interest Untaxed	12				Additional Income	Sh. 65397
Other Income	13				Tax Paid at Source	
Income from U.K.	14				on Additional Income	Sh. _____
Income from other	15				Tax Payable/Repayable	
countries	16				on Additional Income	Sh. 65397
TOTAL		845	7290	8135	Tax Section 40	Sh. <u>78300</u>
Less Interest Paid	17				ADDITIONAL TAX PAYABLE/	
Less Losses	18				REPAYABLE	Sh. <u>143697</u>
Less Passage	19					
40 Deduction	20				Revised Hospital Tax	
TOTAL INCOME				£ 8135	Payable on Total Income	Sh. _____
Less Personal Allowances					Less Charged on	
Singe Mar-Child Educa-Depen- Age Life Prov.					Original Assessment	Sh. _____
ried tion dant Relief Assu- Fund					ADDITIONAL HOSPITAL	
					TAX PAYABLE	Sh. _____
		350	200	160		
		60	81	851		
<b>CHARGEABLE INCOME</b>						<b>£ 7284</b>

If you dispute this additional Assessment you must give me notice of objection in writing stating precisely the grounds of objection within 30 days of the date hereof. A notice of objection if made after 30 days cannot be accepted unless absence from the Colony sickness or other reasonable cause prevented due notice being given.

Date 21.5.58.

REGIONAL COMMISSIONER OF INCOME TAX.

ADDITIONAL ASSESSMENT to ASST. No. 7845  
 EAST AFRICAN INCOME TAX DEPARTMENT  
 INCOME TAX YEAR OF ASSESSMENT 1949

Documents  
 tendered in  
 the Court of  
Appeal

FORM I.T.  
 20(K) (Add)  
 NOTICE OF ASSESSMENT

DUPLICATE  
 FILE NO. 22,433A  
 ASSESSMENT NO. B. 900131946-1953

TO:  
 MR. RATAN SINGH s/o NAGINA SINGH,  
 P.O. BOX 1047,  
 10 NAIROBI

2 1 1 2

Take notice that you have been assessed  
 on additional income as shown hereon

SOURCE OF INCOME	CODE	Originally Assessed	Addi- tional Income	Revised Total Income				
Agriculture	1				Income Tax on Chargeable Income Sh. 22810			
Trade, Profession, etc.	2	404	3628	4032	Surtax on Total Income Sh. 16657			
Employment, Salary etc.	3				TOTAL Sh. 39467			
Quarters	4				Less Further Life Assurance etc.			
Rents etc.	5	375	1551	1926	£ @ Sh. 2/50 Sh.			
Annual Value Property	6		95	95	Double Tax Relief Sh. <u>          </u>			
Dividends	7				Less Tax Payable on Original Assessment Sh. 192			
Debenture Interest	8				Tax payable on Additional Income Sh. 39275			
Mortgage Interest	9				Tax Paid at Source on Additional Income Sh. <u>          </u>			
Interest Untaxed	10				Tax Payable/Repayable on Additional Income Sh. 39275			
Other Income	11				Tax Section 40 ADDITIONAL TAX PAYABLE/REPAYABLE Sh. 86299			
Income from U.K.	12				Revised Hospital Tax Payable on Total Income Sh. <u>          </u>			
Income from other Countries	13				Less Charged on Original Assessment Sh. <u>          </u>			
TOTAL		779	5274	6053	ADDITIONAL HOSPITAL TAX PAYABLE Sh. <u>          </u>			
Less Interest Paid	21							
Less Losses	22							
Less Passage Deduction	23							
TOTAL INCOME	£			6053				
Less Personal Allowances								
Single Mar-Child Educa-Depen- Age Life Prov. ried tion dent Relief Ass- Fund range		350	200	160	60	51	851	
CHARGEABLE INCOME						£	5202	

If you dispute this additional assessment you must give me notice of objection in writing stating precisely the grounds of objection within 30 days of the date hereof. A notice of objection if made after 30 days cannot be accepted unless absence from the Colony sickness or other reasonable cause prevented due notice being given.

Date 21.5.58

REGIONAL COMMISSIONER OF INCOME TAX.

ADDITIONAL ASSESSMENT to ASST. No. 7845  
EAST AFRICAN INCOME TAX DEPARTMENT  
INCOME TAX YEAR OF ASSESSMENT 1950

Documents  
tendered in  
the Court of  
Appeal

FORM I.T.  
20(K) (Add)  
NOTICE OF ASSESSMENT

DUPLICATE  
FILE NO. 22,433A  
ASSESSMENT NO.  
B.90014  
2 1 1 2

Income Tax  
Assessments  
1946-1953

10 TO:  
MR. RATTAN SINGH s/o NAGINA SINGH,  
P.O. BOX 1047,  
NAIROBI.

Take notice that you have been assessed  
on additional income as shown hereon.

SOURCE OF INCOME	Code	Originally Assessed	Addi- tional Income	Revised Total Income		
Agriculture	1				Income Tax on	
Trade, Profession etc.	2	317	5393	5710	Chargeable Income	Sh.30240
Employment, Salary etc.	3				Surtax on Total Income	Sh.26780
20 Quarters	4				TOTAL	Sh.57020
Rents etc.	5	375	1644	2019	Less Further Life Assurance etc.	
Annual Value Property	6		95	95	£ @ Sh.2/50 Sh.	
Dividends	7				Double Tax Relief	Sh.57020
Debenture Interest	8				Net Tax Chargeable	Sh.57020
Mortgage Interest	9				Less Tax Payable on Original Assessment	Sh. 61
Interest Untaxed	10				Tax Payable on Additional Income	Sh.56959
Other Income	11				Tax Paid at Source on Additional Income	Sh. _____
30 Income from U.K.	12				Tax Payable/Repayable on Additional Income	Sh.56959
Income from other Countries	13				Tax Section 40	Sh.68197
<b>TOTAL</b>		692	7132	7824	<b>ADDITIONAL TAX PAYABLE/ REPAYABLE</b>	Sh.125156
Less Interest Paid	21				Revised Hospital Tax Payable on Total Income	Sh. _____
Less Losses	22				Less Charged on Original Assessment	Sh. _____
Less Passage Deduction	23			375	<b>ADDITIONAL HOSPITAL TAX PAYABLE</b>	Sh. _____
<b>TOTAL INCOME</b>		£		7449		
<u>Less Personal Allowances</u>						
40 Single Mar-Child Educa-Depen- Age Life Prov. ried tion dant Relief Assu-Fund rance		350	160	110		
				60		
<b>CHARGEABLE INCOME</b>				81		
				761		
				£ 6688		

If you dispute this additional Assessment you must give me notice of objection in writing stating precisely the grounds of objection within 30 days of the date hereof A notice of objection if made after 30 days cannot be accepted unless absence from the Colony sickness or other reasonable cause prevented due notice being given.

Date 21.5.58

REGIONAL COMMISSIONER OF INCOME TAX.

ADDITIONAL ASSESSMENT to ASST. No. 9369  
 EAST AFRICAN INCOME TAX DEPARTMENT  
 INCOME TAX YEAR OF ASSESSMENT 1951

Documents  
 tendered in  
 the Court of  
Appeal

FORM I.T.  
 20(K) (Add)  
 NOTICE OF ASSESSMENT

DUPLICATE  
 FILE NO. 22433A  
 ASSESSMENT NO. B.90015

Income Tax  
 Assessments  
1946-1953

TO:  
 MR. RATTAN SINGH s/o NAGINA SINGH,  
 P.O. Box 1047  
 10 NAIROBI

2 1 1 2

Take notice that you have been assessed on  
 additional income as shown hereon

SOURCE OF INCOME	CODE	Originally Assessed	Addi- tional Income	Revised Total Income		
Agriculture	1				Income Tax on	
Trade, Profession etc.	2	1187	4584	5771	Chargeable Income	Sh.33800
Employment, Salary etc.	3				Surtax on Total Income	Sh.32167
Quarters	4				TOTAL	Sh.65967
Rents etc.	5	375	1859	2234	Less Further Life Assurance etc.	
Annual Value Property	6	60	35	95	£ @ Sh.2/50 Sh. Double Tax Relief	Sh.65967
Dividends	7				Net Tax Chargeable	Sh.1851
Debenture Interest	8				Less Tax Payable on Original Assessment	
Mortgage Interest	9				Tax Payable on Additional Income	Sh.64116
Interest Untaxed	10				Tax Paid at Source on Additional Income	Sh._____
Other Income	11				Tax Payable/Repayable on Additional Income	Sh.64116
Income from U.K.	12				Tax Section 40	Sh.76766
Income from other Countries	13				ADDITIONAL TAX PAYABLE/REPAYABLE	Sh.140882
TOTAL					Revised Hospital Tax Payable on Total Income	Sh._____
Less Interest Paid	21				Less Charged on Original Assessment	Sh._____
Less Losses	22				ADDITIONAL HOSPITAL TAX PAYABLE	Sh._____
Less Passage Deduction	23					
TOTAL INCOME	£	1622	6478	8100		
Less Personal Allowances						
Single Married	Child Educa- tion	Depen- dent	Age Relief	Life Ass- urance	Prov. Fund	
	350	160	130	60	700	
CHARGEABLE INCOME					£ 7400	

If you dispute this additional Assessment you must give me notice of objection in writing stating precisely the grounds of objection within 30 days of the date hereof. A notice of objection if made after 30 days cannot be accepted unless absence from the Colony sickness or other reasonable cause prevented due notice being given.

Date 21.5.58

REGIONAL COMMISSIONER OF INCOME TAX.



ADDITIONAL ASSESSMENT to ASST. No. 23692  
 EAST AFRICAN INCOME TAX DEPARTMENT  
 INCOME TAX YEAR OF INCOME 1952

Documents  
 tendered in  
 the Court of  
Appeal

FORM I.T.  
 20(K) (Add)  
 NOTICE OF ASSESSMENT

DUPLICATE  
 FILE NO. 22433A  
 ASSESSMENT NO. B.90016

Income Tax  
 Assessments  
1946-1953

TO:  
 MR. RATTAN SINGH s/o MAGINA SINGH  
 P.O. Box 1047,  
 10 NAIROBI

2 1 1 2

Take notice that you have been assessed  
 on additional income as shown hereon

SOURCE OF INCOME	CODE	Originally Assessed	Addi- tional Income	Revised Total Income	
Agriculture	1				Income Tax on Chargeable Income Sh.65405
Trade, Profession etc.	2	3318	8225	11543	Surtax on Total Income Sh.95847
Employment, Salary etc.	3				TOTAL 161252
Quarters	4				Less Further Life Assurance etc.
Rents etc.	5	375	2528	2903	£ @ Sh.2/50 Sh.
Annual Value Property	6	60	60	120	Double Tax Relief Sh.
Dividends	7				Net Tax Chargeable Sh.161252
Debenture Interest	8				Less Tax Payable on Original Assessment Sh. 14041
Mortgage Interest	9				Tax Payable on Additional Income Sh.146611
Interest Untaxed	10				Tax paid at Source on Additional Income Sh. _____
Other Income	11				Tax Payable/Repayable on Additional Income Sh.146611
Income from U.K.	12				Tax Section 40 Sh.263307
Income from other Countries	13				ADDITIONAL TAX PAYABLE/REPAYABLE Sh.409918
TOTAL		3753	10813	14566	Revised Hospital Tax Payable on Total Income Sh. _____
Less Interest Paid	21				Less Charged on Original Assessment Sh. _____
Less Losses	22				ADDITIONAL HOSPITAL TAX PAYABLE Sh. _____
Less Passage Deduction	23				
TOTAL INCOME	£			14566	
Less Personal Allowances					
Single Married	Child Educa- tion	Depen- dant	Age Relief	Life Assu- rance	Prov. Fund
	350	240	195	60	845
CHARGEABLE INCOME					£ 13721

If you dispute this additional Assessment you must give me notice of objection in writing stating precisely the grounds of objection within 30 days of the date hereof. A notice of objection if made after 30 days cannot be accepted unless absence from the Colony sickness or other reasonable cause prevented due notice being given.

Date 21.5.58

REGIONAL COMMISSIONER OF INCOME TAX.

ADDITIONAL ASSESSMENT to ASST. No. 1071  
EAST AFRICAN INCOME TAX DEPARTMENT

Documents  
tendered in  
the Court of  
Appeal

INCOME TAX YEAR OF INCOME 1952

FORM I.T.  
20(K) (Add)  
NOTICE OF ASSESSMENT

DUPLICATE  
FILE NO. 22433A  
ASSESSMENT NO. B.90017

Income Tax  
Assessments  
1946-1953

To:  
MR. RATTAN SINGH s/o NAGINA SINGH  
P.O. Box 1047,  
NAIROBI

2 1 1 2

Take notice that you have been assessed on  
additional income as shown hereon

SOURCE OF INCOME	CODE	Originally Assessed	Addi- tional Income	Revised Total Income	
Agriculture	1				Income Tax on Chargeable Income Sh. 20095
Trade, Profession etc.	2	690	2255	2945	Surtax on Total Income Sh. 12733
Employment, Salary etc.	3				TOTAL Sh. 32828
Quarters	4				Less Further Life Assurance etc.
Rents etc.	5	375	2359	2734	£ @ Sh. 2/50 Sh. Double Tax Relief Sh.
Annual Value Property	6	60	60	120	Net Tax Chargeable Sh. 32828
Dividends	7				Less Tax Payable on Original Assessment Sh. 388
Debenture Interest	8				Tax Payable on Additional Income Sh. 32440
Mortgage Interest	9				Tax Paid at Source on Additional Income Sh. _____
Interest Untaxed	10				Tax Payable/Repayable on Additional Income Sh. 32440
Other Income	11				Tax Section 40 Sh. 58261
Income from U.K.	12				ADDITIONAL TAX PAYABLE/REPAYABLE Sh. 90701
Income from other Countries	13				Revised Hospital Tax Payable on Total Income Sh. _____
TOTAL		1125	4674	5799	Less Charged on Original Assessment Sh. _____
Less Interest Paid	21				ADDITIONAL HOSPITAL TAX PAYABLE Sh. _____
Less Losses	22				
Less Passage Deduction	23			375	
TOTAL INCOME	£			5424	
Less Personal Allowances					
Single Mar-Child Educa-Depen- Age Life Prov ried tion dant Relief Assu- Fund rance		350	160	195	60
				765	
				£ 4659	

If you dispute this additional Assessment you must give me notice of objection in writing stating precisely the grounds of objection within 30 days of the date hereof. A notice of objection if made after 30 days cannot be accepted unless absence from the Colony sickness or other reasonable cause prevented due notice being given.

Date 21.5.58

REGIONAL COMMISSIONER OF INCOME TAX.

1ST. ADDITIONAL ASSESSMENT to ASST. No. 21541  
EAST AFRICAN INCOME TAX DEPARTMENT

Documents  
tendered in  
the Court of  
Appeal

EAST AFRICAN INCOME TAX DEPARTMENT

INCOME TAX YEAR OF INCOME 1953

Income Tax  
Assessments  
1946-1953

FORM I.T.  
20 (K) (Add)  
NOTICE OF ASSESSMENT

DUPLICATE  
FILE No. 22433A  
ASSESSMENT No. B.90016

TO:  
MR. RATTAN SINGH s/o NAGINA SINGH  
10 P.O. BOX 1047,  
NAIROBI

2 1 1 2

Take notice that you have been assessed  
on additional income as shown hereon

SOURCE OF INCOME	CODE	Originally Assessed	Addi- tional Income	Revised Total Income		
Agriculture	1				Income Tax on Chargeable Income	Sh. 52474
Trade, Profession, etc.	2	2,983	4592	7575	Surtax on Total Income	Sh. 59327
20 Employment, Salary etc.	3				TOTAL	111801
Quarters	4				Less Further Life Assurance etc.	
Rents etc.	5	375	2844	3219	£ @ Sh. 2/50 Sh.	
Annual Value Property	6	60	60	120	Double Tax Relief	Sh. 111801
Dividends	7				Net Tax Chargeable	Sh. 13568
Debenture Interest	8				Less Tax Payable on Original Assessment	Sh. 98233
Mortgage Interest	9				Tax Payable on Additional Income	Sh. 98233
30 Interest Untaxed	10				Tax paid at Source on Additional Income	Sh. 98233
Other Income	11				Tax Payable/Repayable on Additional Income	Sh. 98233
Income from U.K.	12				Tax Section 40	Sh. 176422
Income from other Countries	13				ADDITIONAL TAX PAYABLE/REPAYABLE	Sh. 274655
TOTAL					Revised Hospital Tax Payable on Total Income	Sh. 98233
Less Interest Paid	21				Less Charged on Original Assessment	Sh. 98233
Less Losses	22				ADDITIONAL HOSPITAL TAX PAYABLE	Sh. 98233
Less Passage Deduction	23					
40 TOTAL INCOME		3,418	7496	10914		
Less Personal Allowance						
Single Mar-Child Educa-Depen- Age Life Prov. ried tion dant Relief Ass- Fund urance		350	240	195	60	845
CHARGEABLE INCOME						£ 10069

If you dispute this additional Assessment you must give me notice of objection in writing stating precisely the grounds of objection within 30 days of the date hereof. A notice of objection if made after 30 days cannot be accepted unless absence from the Colony sickness or other reasonable cause prevented due notice being given.

Date 21.5.58

REGIONAL COMMISSIONER OF INCOME TAX

Letter, Messrs. Thian & Bellman  
to Regional Commissioner of  
Income Tax

Documents  
tendered in  
the Court of  
Appeal

THIAN & BELLMAN  
INCORPORATED ACCOUNTANTS

501/4 Stenvac House  
Queensway,  
Nairobi.  
KENYA COLONY.

Letter  
Messrs. Thian  
& Bellman to  
Regional  
Commissioner  
of Income Tax  
with  
enclosures  
17th December  
1958

10 The Regional Commissioner 17th December, 1958.  
of Income Tax,  
NAIROBI

Dear Sir,

RATTAN SINGH - SPECIAL INVESTIGATION

We now enclose the Certificate you required,  
duly signed and witnessed.

20 As you will appreciate, the accounts cover the  
trading of Nagina Singh Contractors, and full  
details are given thereon of the remittances to  
India and in the Report we have noted any expenditure  
on buildings owned by Mr. Rattan Singh.

In view of the importance of the Certificate,  
and any possible aftermath that might arise  
thereon, we have taken it upon ourselves to  
interview Mr. Rattan Singh in the presence of his  
son Surjit and Shaffie, and asked him certain  
questions. These we enclose together with the  
replies and we would ask that this questionnaire  
be deemed part of the Certificate.

30 We need hardly add that our client is most  
willing to co-operate and if, after a carefully  
scrutiny by you of the various documents etc.,  
there are any points on which you wish further  
elucidation, we will endeavour to give you  
satisfactory replies.

We are,

Yours faithfully,

Encl:

Documents  
tendered in  
the Court of  
Appeal

TO COMMISSIONER OF INCOME TAX

I hereby certify that I have made a complete disclosure to you of :-

Letter  
Messrs. Thian  
& Bellman to  
Regional  
Commissioner  
of Income Tax  
with  
enclosures  
17th December  
1958  
(Continued)

- (a) All banking accounts (whether current or deposit business or private, in my own name or in that of my wife, or in any other name) in which I am or have been interested, or on which I have or have had power to operate, jointly or solely which are in existence now, or which have existed at any time during the period from 1st January, 1940 to 31st December, 1955; 10
- (b) All savings and loan accounts in regard to which I have or have had any interest or power to operate as in (a), during the period from 1st January, 1940 to 31st December, 1955;
- (c) All assets, not in (a) or (b), which I and my wife now possess, or have possessed during the period from 1st January, 1940 to 31st December, 1955; and
- (d) All sources of income, not in (a), (b) or (c) and the income derived therefrom and all facts bearing upon my liability to Income Tax and to other duties to which I am, or have been, liable. 20

Signature Rattan Singh

Address.....P.O. Box 1047

Nairobi.

Date 14 - 12 - 56

Witnessed by J. F. Bellman

A.C.A.

30

RATTAN SINGH

Questions asked by Colonel Bellman, 17/12/56

Documents  
tendered in  
the Court of  
Appeal

1. Your father died intestate  
on 11.1.46.

(a) Were you the sole  
beneficiary?

- Yes.

(b) At that time you were  
living with him. Where?

10 (c) You inherited 200,497/30  
in East Africa as per  
probate. Were there also  
assets in India?

- Yes, property  
worth about  
80,000 Rupees  
and fixed deposit  
at Bank about  
100,000 Rs.

20 (d) On 11.1.46 when you  
inherited this 200,497/30  
you also, I believe, owned  
property in Salisbury  
Road, bought in 1941 for  
16,000/-, and in Swamp  
Road for 10,225/- in  
1942, and you had a Bank  
balance of £4,500. Had  
you any other assets at  
this date?

- Not in Kenya.

30 2. During the years 1946 to  
1955 where did you live  
and what would be a fair  
annual figure for  
household expenses?

- I went to live in  
Grogan Road in  
1961. I estimate  
my household  
expenses at about  
£600 per annum.

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17th December  
1958  
(Continued)

Documents  
tendered in  
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1958  
(Continued)

3. During the same ten years you educated four sons. Could you give a rough idea of the expenditure so incurred?
- Gian Singh - £825 for 1946 to 1948. He then went to U.K. and expenses were borne out of his rents. 10  
Bhajan Singh £480. Surjit Singh, £480. Inderjit Singh £480.
4. During the same ten years did you incur any abnormal expenditure due to :
- (a) Travel? - Yes, I went to India, with my family in 1949 and 1951 and passage money was approximately 10,000 Rs. I again went in 1955 by air at a cost of £350. 30
- (b) Purchase of furniture? - No.
- (c) Purchase of jewellery? - No.
- (d) Purchase of motor cars? - All in business.
- (e) Estate Duty? - 5,666/-.
- Perhaps you could think of anything over and above your normal household expenses not covered by the questions already asked and that of property which is my next question. 40
- No.

5. Property.

Documents  
tendered in  
the Court of  
Appeal

(a) Grogan Road. Consists, I believe, of 2 plots, and the land cost 26,000/- in 1947. You sold, I think, one plot, together with buildings you had to Kashmirs Lal for 193,000/- in 1953?

- Yes.

Letter  
Messrs. Thian  
& Bellman to  
Regional  
Commissioner  
of Income Tax  
with  
enclosures  
17th December  
1958  
(Continued)

10

The other plot you erected a house on where you now reside?

- Yes.

In the report I see reference to building costs of 60,000/-. Does this relate to the buildings on both plots?

- No, the 60,000/- is for the house in which I reside.

20

Can you give an approximate figure for:

(I) Building you occupy?

- 60,000/-

(II) Building sold to Kashmirilal?

- 90,000/-

(III) You also, I believe, bought property in 6th Avenue for 16,000/- and the cost of erecting buildings thereon was 40,000/-, giving a rough value of 60,000/-. Is that so?

- Yes.

30

(IV) You also own property bought in Mombasa in 1947 for 15,000/-. Is this still undeveloped?

- Yes.



Documents  
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Letter  
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with  
enclosures  
17th December  
1958  
(Continued)

6. Remittances to India as  
per Drawings a/c.

1949	Sh.	75,361.90
1953		30,200.00
1954		60,733.75
1955		<u>98,494.05</u>
		264,789.70
		and according to the Imperial Bank of India you had on the 1st September 1955 fixed deposits Rs.142,539 Current a/c 31,543
		<u>174.082</u>

Plus half. 87,041

= Sh 261,123/-

Can I assume that this  
credit in India of  
Rs. 174082 on 1955  
represents your  
transfers to India during  
the ten years, plus a  
few rents, less a few  
drawings?

- No, not altogether  
as I inherited  
about 100,000 Rs.  
when my father  
died.

7. Arising out of this, did  
your father leave you  
property in India from  
which you have derived  
rents and has there been  
any change in such  
property between 1946  
and now?

- See answers to  
question No. 1 (c)  
In addition, I  
bought property  
in 1955 for  
about 97,000 Rs.

10

20

30

40

8.	Has your wife any income or property in her own right?	- No.	Documents tendered in the Court of Appeal
9.	We now come to the overall picture over ten years which I make to be :-		Letter Messrs. Thian & Bellman to Regional Commissioner of Income Tax with enclosures 17th December 1958
10	On 11.1.46 you inherited <u>E.A.</u> As per Estate Duty.	Shs. 200,497	<u>(Continued)</u> (1946 & 1947 estd. at 25,000/-)
	You had a Bank Balance of	90,000	
	You owned property in your own right.	26,225	
	<u>In India.</u>		
	Property approx. value	120,000	
	Fixed deposit	150,000	
	Your trading profit for ten years.	506,850	
	Sale of Grogan Rd. (½) to Lal Kashmiri	193,000	
20		<u>1,286,572</u>	
	You now have :-		
	Capital in Nagina Singh (less 61,800)	99,517	
	<u>Property as at date of father's death</u>		
	Sadler Street	75,000	
	Imtazali Street	20,000	
	Blenheim Road	80,000	
30	<u>Property owned before father's death</u>		
	Salisbury Road	16,000	
	Swamp Road	10,225	
	<u>Property acquired since father's death</u>		
	1 Plot Grogan Road, plus estd. cost of building	73,000	
	6th Avenue (16,000/-) plus cost of building.	56,000	
	c/forward...	<u>429,742</u>	

Documents  
tendered in  
the Court of  
Appeal

9. (Contd.)

b/forward

Shs.  
429,742

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of Income Tax  
with  
enclosures  
17th December  
1958  
(Continued)

Property in India  
Property as left by  
father approx.  
Property acquired  
1955.  
On deposit and in  
current a/c

120,000

145,500

261,123 956,365

10

Your expenditure is assessed  
roughly at :

Household Expenses, £600 p.a.  
School Fees.  
Travel to India  
Estate Duty paid  
Income Tax, Gifts and various  
expenditure not of a household  
nature, say

120,000

30,900

22,000

5,700

40,000

1,174,965

20

This appears to leave a little  
over 100,000/- or say £500,  
per annum of income not  
accounted for. Have you  
any suggestions?

- Answer:  
No, I do not  
consider this  
comparatively  
small sum has any  
relative bearing on 30  
the subject of  
Income Tax. I  
have in this  
statement read in  
conjunction with  
the duly Audited  
Balance Sheets &  
Report thereon  
given full details  
of my income and  
capital. 40

Signed by  
J.F. BELLMAN

RATTAN SINGH SHAFFIE

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL      No.14 of 1964

ON APPEAL FROM THE COURT OF APPEAL FOR  
EASTERN AFRICA

B E T W E E N :-

RATTAN SINGH  
s/o Nagina Singh      APPELLANT

- and -

THE COMMISSIONER OF  
INCOME TAX      RESPONDENT

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RECORD OF PROCEEDINGS

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T.L. WILSON & CO.,  
6 Westminster Palace Gardens,  
London, S.W.1.

Solicitors for the Appellant.

CHARLES RUSSELL & CO.,  
37 Norfolk Street,  
London, W.C.2.

Solicitors for the Respondent.

RATTAN SINGH

Trading as Nagina Singh Contractors

Balance Sheet as at 31st December, 1953

Exhibits

Exhibit 2(c)

Investigation  
Report,  
Balance Sheets  
and Accounts  
1st January  
1948 to 31st  
December  
1953  
(Continued)

	<u>Capital Account</u>		279187.75	<u>Cash</u>		44615.36
	Balance at 1st January 1953	323876.28		On Hand	756.75	
	Add: Properties Account Balance	<u>61800-70</u>		National Bank of India Ltd.	23822-78	
		385676-98		Barclays Bank D.C.O.		
				Estate Account	1-78	
10	Less: Loss for year	2510-41	2510-41	Barclays Bank D.C.O.		
	Drawings	<u>103978-82</u>	<u>106489-23</u>	Personal Account	3765-84	
				Barclays Bank D.C.O.		
				Firm Account	<u>16268.21</u>	
	<u>Sundry Creditors</u>		190381.75	<u>Deposits on Contracts</u>		9200-00
	As per Scheduld 'A'			<u>Sundry Debtors</u>		250334.14
	Gian Singh Rents	85700.70	162524-47	As per Schedule 'B'	175183.97	
	Less: Drawings	<u>57843.42</u>	<u>27857.28</u>	Moshi Branch	<u>75150-17</u>	
				<u>Stock on Hand</u>		20000.00
				As certified by the Management		
20				<u>Work in progress</u>		120000.00
				As certified by the Management.		
				<u>Motor Vehicles</u>		10190.00
	sd: Rattan Singh			Balance	13587.00	
				Less: Depreciation	<u>3397.00</u>	
				<u>Plant &amp; Machinery</u>		14334.00
				Balance	15643.00	
				Add: Purchases during the year	<u>1220.00</u>	
					16863.00	
				Less: Depreciation	<u>2529.00</u>	
				<u>Office Equipment</u>		896.00
30				Purchase during year	995.00	
				Less: Depreciation	<u>99.00</u>	
			<u>469569.50</u>			<u>469569-50</u>

Approved, subject to our report of even date addressed to the Commissioner of Income Tax.

Nairobi  
15th November, 1956

sd: Thian & Bellman