

Commissioner of Income-tax, Madras v. S.A.S. Marimuthu Nadar

Civil Appeals Nos. 427 and 428 of 1960

[1962] 3 SCR 102 | 1961-08-10

Historical earned-income relief on minor children's partnership shares clubbed with an active partner-parent.

Indian Income-tax Act, 1922: sections 2(6AA) and 16(3)(a)(ii)

3-judge bench; unanimous judgment delivered by M. Hidayatullah, J. | P. B. Gajendragadkar, J. | K. Subba Rao, J. | M. Hidayatullah, J.

Assessment years: 1949-50, 1950-51

Historical statutory setting

The decision construes earned-income relief and clubbing provisions of the repealed 1922 Act; it does not state current clubbing or rate-relief law.

Fact and procedural limits

Apply the holding only within the facts, statutory text and procedural posture described in the primary report.

No current-law clearance

Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

01 FACTS OF THE CASE

After partition of the family, the father and two major sons became partners and two minor sons were admitted to partnership benefits. The minors' shares were included in the father's total income, but earned-income relief was initially confined to his own share (SCR pp.102-104; PDF pp.1-3).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

The statutory phrase had to cover the common case in which the assessed father or husband actively conducts the firm's business while the minor or wife is dormant. For a minor, requiring the minor personally to be an active partner would be impossible. The relief therefore followed income included in the active partner-parent's assessment (SCR pp.105-108; PDF pp.4-7).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The High Court's answer for the assessee was affirmed and both Revenue appeals were dismissed with costs (SCR p.108; PDF p.7).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee on both years: earned-income relief covered the clubbed minor-share income (SCR pp.107-108; PDF pp.6-7).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: historical relief turned on who actively earned the partnership income after clubbing. Modern clubbing, partnership and rate provisions use different text, so the reasoning should not be treated as an automatic current deduction (based on SCR pp.106-108; PDF pp.5-7).

Source: [Primary judgment: review point](#)

SOURCE & VERIFICATION

[Supreme Court Reports scan - public eSCR mirror](#)

Full 7-page SCR source asset read in page-preserving text and visually inspected; adjacent-report boundaries were checked.

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Exact source bytes, SHA-256 and seven-page count match catalogue asset 1962_3_102_108; every page was read and visually inspected.

The source verifies the stated case identity, bench, statutory issue and operative order.

No exact source-hash, asset-ID, SCR-citation, docket or same-judgment match was found in the published corpus or reviewed archive.

STATUTORY SCOPE

The decision construes earned-income relief and clubbing provisions of the repealed 1922 Act; it does not state current clubbing or rate-relief law.

LATER TREATMENT

Source checked 2026-10-11. Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

AI DISCLOSURE

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

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