

Seth Banarsi Das etc. v. Wealth Tax Officer, Special Circle, Meerut, etc.

Civil Appeals Nos. 124 to 129 of 1964

[1965] 2 SCR 355 | 1964-12-08

Constitutional validity of charging Hindu undivided families to wealth tax under section 3 and Parliament's legislative competence under Entry 86 of List I.

Wealth Tax Act, 1957: section 3 | Constitution of India: Article 248; Seventh Schedule, List I, Entries 82, 86 and 97 | General Clauses Act, 1897: section 13(2) | Indian Income-tax Act, 1922: section 3 (legislative-history argument)

5-judge bench | P. B. Gajendragadkar, C.J. | M. Hidayatullah, J. | J. C. Shah, J. | S. M. Sikri, J. | R. S. Bachawat, J.

Assessment years: See the source-scope notes; no year inferred.

Historical wealth-tax charge

The holding validates Parliament's competence to include Hindu undivided families in section 3 of the Wealth Tax Act, 1957. It is not a statement that a present wealth-tax charge exists.

Entry 97 issue left open

Because Entry 86 sustained the provision, the Court expressly found it unnecessary to decide whether Entry 97 or Article 248 independently supported the charge.

01 FACTS OF THE CASE

Six Hindu undivided families were charged under section 3 of the Wealth Tax Act, 1957. They challenged the charge through writ petitions, contending that Entry 86 of List I authorised tax on the capital value of assets of individuals and companies but not Hindu undivided families. A majority of the Allahabad High Court rejected the challenge and granted certificates for appeal. Before the Supreme Court, the families argued that a fluctuating coparcenary was not an individual or group covered by Entry 86, that the express mention of companies narrowed the word individuals, and that income-tax legislative history treated individuals and Hindu undivided families as distinct taxable entities.

Source: [Challenge, High Court result and competing competence arguments: SCR pp.356-358 / PDF pp.2-4](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court applied the rule that entries describing legislative fields receive their widest natural meaning and should not be narrowed by comparison with another entry. Entry 82's broader wording and Entry 86's express reference to companies did not confine individuals to single human beings. A group that forms a unit and jointly owns capital assets can fall within individuals; fluctuating coparcenary shares affect the mode or rate of taxation, not Parliament's competence. The Court considered it implausible that the Constitution-makers intended to exclude the substantial field of Hindu undivided family assets. Tax-legislation usage distinguishing an individual from a Hindu undivided family did not control the meaning of an organic constitutional entry. The earlier *Sodra Devi* construction also showed that individual can include a group of persons forming a unit.

Source: [Wide construction of legislative entries and rejection of textual restrictions: SCR pp.359-361 / PDF pp.5-7](#); [Legislative history, constitutional meaning and final Entry 86 analysis: SCR pp.362-365 / PDF pp.8-11](#)

03 JUDICIAL DECISION

The Supreme Court held that the word individuals in Entry 86 was wide enough to include Hindu undivided families as groups forming a unit and owning assets together. Parliament was therefore competent under Entry 86 to enact section 3 of the Wealth Tax Act insofar as it charged Hindu undivided families. The Court did not decide the alternative reliance on Entry 97 or Article 248. All six appeals were dismissed with costs.

Source: [Entry 86 holding and dismissal: SCR pp.364-365 / PDF pp.10-11](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue. The charging provision survived the constitutional challenge, and the appellant Hindu undivided families' appeals were dismissed with costs. The result concerned legislative competence, not computation of any particular family's net wealth.

Source: [Operative dismissal with costs: SCR p.365 / PDF p.11](#)

05 AKHB REVIEW POINT

AKHB analysis: use this authority for the constitutional method of reading a taxation entry broadly and for the historical proposition that Entry 86 covered Hindu undivided families. Do not convert that competence holding into a present charge or a rule for computing family wealth. For any current controversy, separately identify the operative statute, the relevant constitutional entry and later binding treatment.

Source: [AKHB analysis based on the Entry 86 reasoning and limited disposition](#)

SOURCE & VERIFICATION

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

Full 11-page SCR report read and visually checked. The editorial headnote on PDF pp.1-2 was distinguished from Gajendragadkar C.J.'s unnumbered judgment beginning on PDF p.2 (SCR p.356) and ending on PDF p.11 (SCR p.365).

Open cited source rendition

Exact source bytes, SHA-256 and 11-page count match catalogue asset 1965_2_355_365; every page was read as extracted text and inspected as a rendered image.

The judicial text verifies Civil Appeals Nos. 124 to 129 of 1964, the five-member bench, the Entry 86 holding and dismissal of all appeals with costs.

No published AKHB record with this party identity, case numbers or source asset was found; the separately published Seth Banarsi Dass Gupta income-tax case is not this judgment.

STATUTORY SCOPE

This decision concerns the constitutional competence for the historical Wealth Tax Act, 1957 charge on Hindu undivided families. The wealth-tax statute has since been abolished; the judgment does not establish any current wealth-tax liability or provide current-law clearance.

LATER TREATMENT

Source checked 2026-10-10. Comprehensive subsequent constitutional treatment, later wealth-tax amendments and repeal consequences have not been checked; no citator or current-law clearance is represented.

AI DISCLOSURE

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

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