

# Commissioner of Income-tax, U.P. v. Kunwar Trivikram Narain Singh

Civil Appeal No. 68 of 1964

[1965] 3 SCR 700 | 1965-04-09

**Agricultural income and capital receipt: a perpetual allowance measured by former jagir revenue derived from the 1837 arrangement, not from land, and was taxable revenue income.**

Indian Income-tax Act, 1922: sections 2(1)(a), 4(3)(viii) and 66A(2)

3-judge bench | K. Subba Rao, J. | J. C. Shah, J. | S. M. Sikri, J.

Assessment years: 1949-50

## Source, not measure, controlled

The allowance was measured by former land revenue, but the Court treated the 1837 arrangement as its immediate source. The judgment does not say that every payment connected with land is non-agricultural.

## Historical statute and arrangement

The ruling concerns a perpetual allowance under a nineteenth-century compromise and the repealed 1922 Act; present treatment requires independent statutory and precedential analysis.

## 01 FACTS OF THE CASE

The assessee HUF was headed by a descendant of a jagirdar. Under an 1837 compromise, the British Government took over collection of the jagir revenue and granted the jagirdar and his heirs a perpetual pension calculated by reference to one-fourth of that revenue. The assessee received Rs.36,396 in the previous year for AY 1949-50. The Income-tax Officer treated it as taxable annual income; the Appellate Assistant Commissioner regarded it as agricultural income; the Tribunal restored taxability. The Allahabad High Court held that the recipient had a right to a share of land-revenue collections and answered the reference against Revenue. The assessee also argued before the Supreme Court that the allowance was capital compensation for relinquishment of the jagir.

Source: [1837 arrangement, AY 1949-50 and procedural history: SCR pp.701-703 / PDF pp.2-4](#)

## 02 DISCUSSION BY THE HON'BLE COURT

The Court adopted its earlier construction of the same 1837 letter: the recipient had no interest in land or land revenue; the percentage of net revenue was only the measure of an allowance granted for relinquishing earlier rights. Applying the immediate-source approach to section 2(1)(a), it held that the allowance derived from the arrangement, not land. Variation in yearly amount did not alter that source. On the capital argument, the Court distinguished a perpetual annuity from a capital sum payable by instalments. Although labels do not control, the assessee produced no material showing that the payments were instalments of the value of the predecessor's disputed title; the perpetual allowance therefore retained revenue character.

Source: [No interest in land and immediate-source analysis: SCR pp.703-705 / PDF pp.4-6; Perpetual annuity distinguished from capital instalments: SCR pp.706-707 / PDF pp.7-8](#)

## 03 JUDICIAL DECISION

The Supreme Court held that the allowance was revenue income and was not exempt as agricultural income. It allowed Revenue's appeal, answered the referred question in the affirmative and awarded Revenue costs in the Supreme Court and High Court.

Source: [Operative taxability ruling and appeal allowed: SCR p.707 / PDF p.8](#)

## 04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue. The Rs.36,396 allowance for AY 1949-50 was taxable revenue income, not exempt agricultural income or a proved capital instalment.

Source: [Revenue character and final disposition: SCR pp.705-707 / PDF pp.6-8](#)

## 05 AKHB REVIEW POINT

AKHB analysis: when a receipt is linked to land only through a historical covenant, separate the legal source of the payment from the formula used to quantify it. For capital-versus-revenue analysis, document whether the arrangement substitutes a fixed capital price payable by instalments or creates an enduring periodic entitlement. Do not transpose this 1922 Act ruling to a current assessment without testing the present definition, exemption and later authorities.

Source: [AKHB analysis based on source and receipt-character reasoning](#)

## SOURCE & VERIFICATION

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

Full 8-page SCR report read and visually checked. The editorial headnote on PDF pp.1-2 was distinguished from Sikri J.'s unnumbered judgment beginning on PDF p.2 and continuing through PDF p.8.

[Open cited source rendition](#)

Exact source bytes, SHA-256 and 8-page count match catalogue asset 1965\_3\_700\_707; every page was read as extracted text and inspected as a rendered image.

The judicial text verifies Civil Appeal No. 68 of 1964, the three-member bench, AY 1949-50, the agricultural-income issue, the capital-receipt argument and final allowance of Revenue's appeal with costs.

No published AKHB record with this appeal number or source asset was found. The existing Kunwar Trivikram Narain Singh v. State of Uttar Pradesh note concerns Civil Appeal No. 799 of 1963 and a different 1964 judgment, so it is not a duplicate.

### **STATUTORY SCOPE**

This decision applies the agricultural-income exemption and charging framework of the repealed Indian Income-tax Act, 1922 to a historical 1837 arrangement. It does not establish the treatment of a receipt under the present Income-tax Act or any current land-revenue regime.

### **LATER TREATMENT**

Source checked 2026-10-10. Comprehensive later treatment of agricultural-income source tests, annuity/capital distinctions and the current statutory regime has not been checked; no current-law or citator 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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