

State of Orissa v. Shyam Sundar Patnaik

Civil Appeal Nos. 382-384 of 1964

[1966] 2 SCR 402 | 1965-10-27

Agricultural income-tax: expanded statutory meaning of brothers applied to HUF rate concession.

Orissa Agricultural Income-tax Act, 1947: section 10 | Schedule to the Orissa Agricultural Income-tax Act, 1947: clause B and Explanation

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

Assessment years: 1950-51, 1951-52, 1952-53 (opening statement; later narrative contains a conflicting year)

Special statutory definition; separate milk issue

The rate holding depends on the State Act's extended definition of brother. The milk-income question was expressly not challenged before the Supreme Court; this is not a fresh merits ruling on dairy income.

01 FACTS OF THE CASE

The assessee represented an undivided family consisting of the sons of two deceased brothers. In agricultural income-tax assessments the family sought the Schedule's treatment for a family consisting of brothers only. The Tribunal and High Court accepted that treatment. A second referred question concerned income from sale of milk; the State did not contest the High Court's answer to that question before the Supreme Court.

Source: [SCR pp. 403-404 / PDF pp. 2-3](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 10 ordinarily treated total agricultural income of an HUF as that of one individual, but the proviso adopted special Schedule rates for a family consisting of brothers only as explained there. The Explanation extended brother to include a brother's son, grandson and widow. The Court incorporated that extended meaning into clause B and held that the family consisting of sons of the deceased brothers qualified. The Court recorded that the separate milk question was not challenged because it was considered concluded by Raja Benoy Kumar Sahas Roy.

Source: [SCR pp. 404-405 / PDF pp. 3-4](#)

03 JUDICIAL DECISION

The State's appeals were dismissed without an order as to costs. The HUF's eligibility for the special Schedule rate treatment stood upheld.

Source: [SCR p. 405 / PDF p. 4](#)

04 OUTCOME / IN WHOSE FAVOUR

The assessee HUF succeeded on the disputed meaning of brothers only. The milk-income answer was not independently contested or freshly adjudicated by the Supreme Court.

Source: [SCR pp. 404-405 / PDF pp. 3-4](#)

05 AKHB REVIEW POINT

AKHB analysis: apply the definition and Explanation attached to the particular taxing provision, rather than ordinary family terminology. Establish the genealogy and statutory share calculation before applying a rate concession. Do not use the headnote's milk-income description as a standalone dairy-tax proposition: it conflicts with the reproduced question, while the Supreme Court expressly confined the contested issue to the HUF rate definition.

Source: [AKHB analysis based on SCR pp. 403-405 / PDF pp. 2-4](#)

SOURCE & VERIFICATION

Supreme Court Reports scan - public eSCR mirror

Full four-page SCR scan read; judgment begins at SCR p. 403. Headnote and body discrepancies are expressly identified.

Open cited source rendition

Full original source PDF read; exact downloaded bytes match the source catalogue SHA-256.

The opening identifies years 1950-51, 1951-52 and 1952-53; a later assessment recital says 1953-54. No silent correction is made.

The headnote describes milk income as agricultural; the question reproduced in the judgment concerns its being non-agricultural. The judgment records that the issue was not challenged before the Court, and this note does not derive a fresh dairy-tax holding from the inconsistent headnote.

STATUTORY SCOPE

This ruling concerns the historical Orissa Agricultural Income-tax Act, 1947 and its particular Schedule. It does not establish a general HUF definition or current central income-tax rate concession.

LATER TREATMENT

Source checked 2026-10-10. The complete identified judgment/order has been checked. Later proceedings, statutory amendments and comprehensive subsequent judicial treatment have not been verified; this note does not represent current citator clearance.

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