

Income-tax Officer, Agra v. Radha Krishan

Civil Appeal No. 1413 of 1966

[1967] 3 SCR 821 | 1967-04-27

Historical recovery from a registered firm's partners: whether tax assessed individually on one partner's total income, including his share of firm income, could be recovered from another partner merely because firm obligations are ordinarily joint and several.

Indian Income-tax Act, 1922: sections 23(5)(a), 26A and 44 | Constitution of India: Article 226

2-judge bench; unanimous judgment delivered by J. C. Shah, J. | J. C. Shah, J. | V. Ramaswami, J.

Assessment years: 1944-45, 1945-46, 1946-47, 1947-48

Statutory tax liability was not inferred from partnership law

The Court distinguished contractual obligations, which may bind partners jointly and severally, from income-tax liability, whose incidence had to be found in the taxing statute itself.

Section 44 was confined to its assessment setting

Joint and several liability under former section 44 could attach when discontinued-firm income was assessed under that provision. It did not transfer one partner's separate section 23(5)(a) assessment to another partner.

Registered and unregistered firm machinery must not be conflated

The result depended on the former scheme under which a registered firm's income was computed but its partners were individually assessed. The judgment does not say that partners can never be jointly liable where the statute expressly imposes such liability.

Printed section-number inconsistency preserved

The factual recital at SCR p.822/PDF p.2 refers once to section 25(3)(a), while the headnote and the Court's substantive analysis identify section 23(5)(a). The note follows the provision actually quoted and analysed and does not silently treat the isolated recital as a separate legal basis.

01 FACTS OF THE CASE

Jawahar Tent Factory, Agra, was a registered four-partner firm. Jawahar Lal, representing his HUF, held an eight-annas share; Shiam Lal, Radha Raman and Radha Krishan held two annas and eight pies each. For assessment years 1944-45 to 1947-48, Jawahar Lal's share of firm income was included with the HUF's other income and tax was assessed on that total. After Jawahar Lal defaulted, the Income-tax Officer attributed Rs. 79,296.25 of unpaid tax to his firm share and served demand notices on former partner Radha Krishan on 3 October 1962. A single judge and Division Bench of the Allahabad High Court granted Article 226 relief against those notices (SCR pp.822-823; PDF pp.2-3).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Under former section 23(5), a firm was a unit for computing income, but a registered firm's tax was collected through individual assessments of the partners: each share was added to that partner's other income, and the applicable rate depended on that partner's total income. A firm's contractual obligations may be joint and several, but income-tax liability is statutory and cannot be extended beyond the enactment by partnership-law implication (SCR pp.823-825; PDF pp.3-5). Section 44 dealt with joint and several assessment and tax on the income of a discontinued firm or dissolved association. It did not make Radha Krishan liable for tax individually assessed against Jawahar Lal under section 23(5)(a). The Court distinguished Angidi Chettiar, Amritlal Bhogilal and Shivram Poddar because their observations did not convert separate partner assessments into an aggregate joint liability (SCR pp.825-827; PDF pp.5-7).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court rejected the Income-tax Officer's asserted recovery power and dismissed Civil Appeal No. 1413 of 1966 with costs (SCR p.827; PDF p.7).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Radha Krishan. The Revenue's attempt to recover Jawahar Lal's individually assessed tax from another former partner failed; the Court did not redetermine Jawahar Lal's own liability (SCR pp.825-827; PDF pp.5-7).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: when recovery is pursued against a person other than the named assessee, map separately the entity whose income was computed, the person against whom tax was assessed, and the statutory recovery provision said to extend liability. Do not infer tax liability solely from general partnership principles. Radha Krishan is a construction of the former 1922 Act scheme, so any present dispute requires fresh examination of the operative assessment and recovery provisions (based on SCR pp.823-827; PDF pp.3-7).

Source: [Primary judgment: reviewPoint](#)

SOURCE & VERIFICATION

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

Full 7-page SCR report read and checked. The editorial headnote and adjacent-report boundary text were distinguished from the judicial opinion and operative order.

[Open cited source rendition](#)

Exact source bytes, SHA-256 and 7-page count match catalogue asset 1967_3_821_827; every page was reviewed.

The source verifies Civil Appeal No. 1413 of 1966, the stated bench, issues, reasoning and operative result.

No published or archived standalone AKHB note with this source hash, case identity and operative decision was found.

STATUTORY SCOPE

The ruling concerns registered-firm assessment and recovery under the repealed Indian Income-tax Act, 1922 for assessment years 1944-45 to 1947-48. It does not establish partner-liability or recovery rules under a later enactment. No current-law or comprehensive later-treatment clearance was undertaken.

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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