

Agarwal and Co. v. Commissioner of Income-tax, U.P.

Civil Appeals Nos. 2200, 2200A and 2200B of 1968

[1971] 1 SCR 237 | 1970-04-07

Historical firm registration: HUF representation, partner count and limits on looking behind the partnership deed.

Indian Income-tax Act, 1922: sections 2(9) and 26A | Indian Partnership Act, 1932: section 4 | Companies Act, 1913: section 4(3)

3-judge bench; unanimous judgment delivered by K. S. Hegde, J. | J. C. Shah, J. | K. S. Hegde, J. | A. N. Grover, J.

Assessment years: 1952-53, 1953-54 and connected year

Historical statutory setting

The decision applies repealed firm-registration and Companies Act provisions; current entity, partnership and registration law was not checked.

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

An 18-partner firm sought section 26A registration. Tax authorities counted adult members of HUFs represented by some partners, concluded the number exceeded 20 and treated the unregistered association as unlawful (SCR pp.237-241; PDF pp.1-5).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

An HUF is not itself a contractual partner; a coparcener or karta joins individually even if accountable to the family. For registration the officer examines conformity, genuineness and legal existence, not beneficial arrangements behind the deed (SCR pp.241-247; PDF pp.5-11).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court allowed the appeals, answered for the assessee and awarded costs in the Supreme Court and High Court (SCR p.247; PDF p.11).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee-firm: the partnership was validly formed and had to be registered (SCR pp.245-247; PDF pp.9-11).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: distinguish legal partners named in the deed from persons with beneficial interests behind them. Registration can test genuineness and legal validity, but not rewrite genuine partner identities solely from internal HUF arrangements (based on SCR pp.244-247; PDF pp.8-11).

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

SOURCE & VERIFICATION

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

Full 11-page SCR source asset read in page-preserving text and visually inspected; adjacent-report boundaries were checked.

[Open cited source rendition](#)

Exact source bytes, SHA-256 and 11-page count match catalogue asset 1971_1_237_247; 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 applies repealed firm-registration and Companies Act provisions; current entity, partnership and registration law was not checked.

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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General legal and tax research only; not legal or tax advice. Verify the original judgment, the governing historical statute and subsequent judicial treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding, and no current-law clearance is claimed.