

Commissioner of Income-tax, Bangalore v. M/s R. Hanumanthappa and Son

Civil Appeal No. 704 of 1968

[1972] 1 SCR 94 | 1971-08-10

Historical discontinuance relief where an HUF business continued through a partnership after partition.

Mysore Income-tax Act, 1923: section 25(3) | Finance Act, 1950: sections 3 and 13 | Constitution of India: Article 136

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

Assessment years: 1949-50

Historical statutory setting

The case construes repealed Mysore income-tax legislation and transition provisions; no current succession or discontinuance rule is represented.

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

After HUF partition, the former coparceners and a widowed daughter formed a partnership, transferred the business assets and liabilities to it, and expressly continued the same cotton-ginning and pressing business as successor (SCR pp.94-98; PDF pp.1-5).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 25(3) required real, factual discontinuance of the business, not merely a jural change in owners. The same undertaking continued through the partnership, so disruption of the HUF did not trigger discontinuance relief (SCR pp.98-103; PDF pp.5-10).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court allowed Revenue's appeal and answered the reference for Revenue, while retaining the earlier costs direction in the assessee's favour (SCR pp.102-103; PDF pp.9-10).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue on the legal issue: there was succession and continued business, not discontinuance (SCR pp.101-103; PDF pp.8-10).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: test continuity of the undertaking, assets, operations and declared succession separately from a change in ownership form. Current succession provisions and carryover rules must be checked afresh (based on SCR pp.100-103; PDF pp.7-10).

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

SOURCE & VERIFICATION

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

Full 10-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 10-page count match catalogue asset 1972_1_94_103; 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 case construes repealed Mysore income-tax legislation and transition provisions; no current succession or discontinuance rule is represented.

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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