

Controller of Estate Duty, Madras v. N. Shankaran and Others

Civil Appeal No. 1204 (NT) of 1979 with Civil Appeal No. 4371 (NT) of 1991
[1991] Supp 2 SCR 167 | 1991-11-01

Historical estate duty: unilateral blending of separate property with HUF property was not a statutory disposition.

Estate Duty Act, 1953: sections 2(15), 9, 27(1), 46(2) and 64(1)

3-judge bench; unanimous judgment delivered by S. Ranganathan, J. | S. Ranganathan, J. | M. Fathima Beevi, J. | N. D. Ojha, J.

Assessment years: Death on 1 March 1972

Historical statutory setting

The Estate Duty Act had ceased to be enforceable from 16 March 1985; the ruling is historical and not current-law clearance.

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

A karta declared five self-acquired houses to be HUF property, later partitioned the properties, and died within two years. Revenue treated the declarations as dispositions without consideration and included property allotted to relatives, with a connected Rs.46,800 debt adjustment (SCR pp.167-172; PDF pp.1-6).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

An ordinary disposition is bilateral or multilateral, while blending is unilateral. It neither creates a new enforceable right nor extinguishes the blender's interest: coparceners' dormant birthrights become operative and all retain community of interest. Unequal partition may differ, but blending alone did not satisfy the Explanations to section 2(15) (SCR pp.172-180; PDF pp.6-14).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court held that blending was not a disposition attracting sections 9 and 27, rejected the property and debt additions, and dismissed both Revenue appeals without costs (SCR p.180; PDF p.14).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the accountable persons; whether blending followed by partition could be one composite statutory disposition was expressly left open (SCR p.180; PDF p.14).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: separate the unilateral act of blending from a later unequal partition or composite transaction. Do not extend the result where an Explanation independently identifies creation or extinguishment of rights (based on SCR pp.177-180; PDF pp.11-14).

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

SOURCE & VERIFICATION

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

Full 14-page SCR source asset read in page-preserving text and visually inspected; adjacent-report boundaries were checked.

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Exact source bytes, SHA-256 and 14-page count match catalogue asset S_1991_2_167_180; 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 Estate Duty Act had ceased to be enforceable from 16 March 1985; the ruling is historical and not current-law clearance.

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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