

The Additional Commissioner of Income Tax, Lucknow v. Maharani Raj Laxmi Devi

Civil Appeal Nos. 1415–1419 (NT) of 1979

[1997] 1 SCR 1172 | 1997-02-11

Whether the asserted one-sixth inherited share could be removed from the HUF's assessed income without the finding required under section 171.

171(1) | 256(1)

Two-judge bench | S.C. Agrawal, J. | K.S. Paripoornan, J.

Assessment years: 1966-67, 1967-68, 1968-69, 1969-70, 1970-71

Tax recognition rule did not extinguish inheritance rights

The one-sixth income exclusion failed without the required section 171 finding, but civil succession rights remained distinct. Later subsection 171(9) restricts recognition of qualifying partial partitions after 31 December 1978, so the earlier discussion is not a modern partition-planning rule. The source's share shorthand and cited-case distinctions are preserved; current succession law and comprehensive later treatment remain unverified.

01 FACTS OF THE CASE

Maharaja P.P. Singh was assessed individually through AY 1964-65. He adopted a minor son in December 1963, after which the reported status was HUF, and died in June 1964. The judgment describes his widow as thereafter managing the HUF as karta with the son. For AY 1966-67 she revised the HUF return to exclude income said to belong to the son individually: the deceased's one-third property share was claimed to devolve equally on widow and son, giving the son one-sixth of the HUF property (physical pages 3–4).

The ITO and Appellate Assistant Commissioner rejected the exclusion because no partition claim and qualifying section 171 finding existed, and the same treatment followed through AY 1970-71. The Tribunal and High Court considered statutory succession and consequent diminution of HUF assets sufficient without such a finding. Revenue appealed the five-year reference result (physical pages 3–5).

Source: See the proposition-specific paragraph and PDF-page references below.

02 DISCUSSION BY THE HON'BLE COURT

Section 171(1) maintains, for income-tax purposes, the status of a family previously assessed as undivided unless and insofar as a partition finding is recorded under the provision. The Court relied on Kalloomal and Sarada Thampatty and then addressed the attempted distinction between a voluntary partition and statutory succession (physical pages 5–9).

Tunki Sah had applied the same tax rule despite a claim based on section 14(1) of the Hindu Succession Act. That answered the argument here: section 6 of the succession statute could govern the parties' rights, but the income-tax assessment was governed by section 171. The Court did not extinguish the son's civil inheritance rights or grant the Revenue a general power to decide all succession shares (physical pages 7–9).

Source: See the proposition-specific paragraph and PDF-page references below.

03 JUDICIAL DECISION

All five Revenue appeals were allowed without costs. The referred question was answered for Revenue and against the assessee; the claimed one-sixth income exclusion failed in the absence of the required section 171 recognition. No fresh tax amount, civil partition decree or adjudication of a later inheritance was made (physical page 9).

Source: See the proposition-specific paragraph and PDF-page references below.

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue on HUF assessment

Five appeals allowed; reference answered for Revenue; no costs

Final tax-assessment ruling for the stated historical years

Does not annul civil succession rights, fix shares for a different family or certify present-day recognition of partial partitions.

Source: See the proposition-specific paragraph and PDF-page references below.

05 AKHB REVIEW POINT

Separate substantive family-property rights from the statutory steps and deeming rules governing HUF assessment. An asserted succession-based reduction did not by itself satisfy the tax mechanism applicable here. Establish the prior assessment status, the actual claim and the statutory finding instead of relying only on a personal-law description of ownership.

The checked 2011 compilation retains section 171(1) and, separately, subsection (9), which disallows tax recognition of qualifying partial partitions after 31 December 1978 and was inserted from 1 April 1980. The earlier partial-partition discussion therefore must not be advertised as a present route to recognition of every partial division. That later text was not the basis for taxing the 1964 succession here. Modern succession-law changes, karta eligibility and current procedural requirements are not independently determined by this note.

Source: See the proposition-specific paragraph and PDF-page references below.

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Identity, five appeals, years and actual one-sixth claim

Source url: [Open cited source](#)

Pdf pages: 1; 2; 3; 4

Paragraphs: Unnumbered judicial text

Source role: reported metadata and judicial text

2.

Topic: Assessment history and section 171 recognition principle

Source url: [Open cited source](#)

Pdf pages: 4; 5; 6

Paragraphs: Unnumbered judicial text

Source role: judicial text

3.

Topic: Statutory-succession distinction and final result

Source url: [Open cited source](#)

Pdf pages: 7; 8; 9

Paragraphs: Unnumbered judicial text

Source role: judicial text

4.

Topic: Later subsection 9 limits and continuing tax fiction

Source url: [Open cited source](#)

Pdf pages: 769; 770; 771

Paragraphs: Section 171(1)–(9), Explanation and footnote 40

Source role: bounded historical statutory text

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SOURCE & VERIFICATIONHon'ble Supreme Court source PDF (reported judgment)

Identified source rendition: 9 PDF pages; SHA-256

c5a11472116385bdba847ae33162eae3f7d68e5106819c316fe73115402d71bf. Original bytes preserved.

Complete judicial text physical pages 3–9/SCR 1174–1180; five-year HUF assessment issue distinguished from substantive succession rights.

Open cited source rendition

The source's headnote wording about one-sixth of the deceased's share is imprecise; the judicial body describes the deceased's one-third HUF share passing equally to the widow and son, producing the claimed one-sixth HUF share.; The widow's description as karta is part of the historical factual narrative; the appeal did not independently decide a general rule about who can be karta today.; The Kallomal citation in the headnote repeats the earlier High Court citation, while the body distinguishes the reversed High Court view from the Supreme Court judgment at 133 ITR 690. The actual discussed judicial relationship controls.; The cited Tunki Sah family, gift and later-year history are precedent facts, not additional members or transfers in this family.; No named judgment author appears after the delivery line; the bench is recorded without assigning authorship from metadata.; The historical statute and succession facts are not a current inheritance-share or partition-planning opinion. The bounded 2011 check does not certify every later amendment.

STATUTORY SCOPE

No automatic mapping to the Income-tax Act, 2025 or present-law certification. Apply the statutory text for the relevant year.

LATER TREATMENT

Source checked 2026-10-04. No comprehensive later-treatment search is certified. Any actually checked later judgment or statute is expressly identified in this note.

IDENTIFIED SOURCE LINKSreported judgment - PDF pages: 9

SHA-256: c5a11472116385bdba847ae33162eae3f7d68e5106819c316fe73115402d71bf

official department hosted historical statutory compilation - PDF pages: 1251

SHA-256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

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