

Commissioner of Income Tax, Bihar-II, Ranchi v. Smt. Sandhya Rani Dutta

Civil Appeal No. 5450 of 1997 / Civil Appeal No. 5451 of 1997

[2001] 2 SCR 64 | 2001-02-22

Could a Dayabhaga Hindu's widow and two daughters, who separately inherited his self-acquired property in 1972, create an HUF by agreement and impress the widow's inherited share with joint-family character so that her income escaped individual assessment for 1974-75 and 1975-76?

3 judges | S.P. Bharucha, J. | N. Santosh Hegde, J. | Y.K. Sabharwal, J.

Assessment years: 1974-75, 1975-76

Historical Dayabhaga agreement case; later daughter rights require separate analysis

This decision concerns 1972 separate inheritance and AYs 1974-75 and 1975-76. It distinguishes continued existence of an HUF with only female members from creating the claimed HUF by agreement. Its historical language is not a blanket current exclusion of women as members, coparceners or Karta. Post-2005 section 6 and Vineeta Sharma concern qualified Mitakshara daughter rights; no direct overruling of this Dayabhaga holding is certified. Comprehensive later treatment, current law and 2025 mapping remain not_verified.

01 FACTS OF THE CASE

Har Govind Dutta, a Hindu governed by the Dayabhaga school, died intestate on 19 June 1972. His widow, the assessee, and their daughters Priya and Keya inherited his self-acquired properties in equal one-third shares. Those separate inheritances were undisputed. On 26 July 1972 the three entered an agreement claiming to form an HUF, and the widow purported to place her inherited share in its common pool. She consequently omitted the income from that share from her individual returns for AYs 1974-75 and 1975-76 (physical 3/SCR 66 B-D).

The Income Tax Officer rejected the claim and assessed her on that income. The Appellate Assistant Commissioner dismissed her appeal, but the Tribunal reversed. On Revenue's reference, the Patna High Court, Ranchi Bench, answered that the female Dayabhaga heirs could form a joint Hindu family by agreement and impress their inherited property with joint-family character, and answered against assessment of the widow's one-third share in her individual status. It relied chiefly on Gauri Shankar Bhar (84 ITR 699). Revenue brought the two civil appeals (physical 2 F-3 H/SCR 65-66).

The assessee did not appear in the Supreme Court. Because a question of law arose, the Court requested B. Sen to assist as amicus; his assistance is expressly acknowledged in the judgment. The reported appearances must not be read as proof that the assessee personally contested the hearing (physical 4 G and 6 B).

Source: [reported judgment / paragraphs SCR 65 F-66 H and 67 G: reference questions, dates/shares, assessment route and amicus / PDF pages 2, 3, 4 / judicial text](#)

02 DISCUSSION BY THE HON'BLE COURT

Bharucha J., for the three-judge Court, held that the High Court had misread Gauri Shankar Bhar. In that earlier wealth-tax case, the heirs' definite separate shares had been conceded, so the Court had not needed to decide whether a Dayabhaga family could be an HUF within section 3 of the Wealth-tax Act. Individual inheritance did not become HUF property merely because an heir belonged to a joint family. This passage explains an earlier authority; it is not a new wealth-tax assessment in the present appeals (physical 3 G-4 B/SCR 66-67).

The Court then applied the historical authorities as it understood them. Gowli Buddanna accepted an HUF with one male member and widows of deceased coparceners rather than requiring two males; the Court inferred a male-member requirement for formation. Surjit Lal Chhabda treated a joint Hindu family as a creature of law, not one created by parties' agreement apart from affiliation through adoption. Pushpa Devi's historical rule concerning a woman's blending of separate property into an existing joint family was applied to the claimed creation by agreement and blending here (physical 4 C-F/SCR 67). These are the Court's historical premises, not a declaration in this note of present-day disabilities for all women.

Amicus drew attention to the Calcutta Gouri Shankar Bhar discussion of Dayabhaga brothers choosing to live jointly and of volition expressed by joint living, messing and worship. The Court nevertheless identified its specific question as the capacity of these female heirs to constitute a new HUF among themselves and found no supporting authority for their agreement-based claim (physical 4 G-5 C/SCR 67-68).

Crucially, the Court distinguished creation from continuation. Sarwan Kumar did not hold that women could create a new joint family by agreement; it recognised continuation of existing female members' HUF status after the last male member died. Veerappa Chettiar likewise concerned property originally belonging to an existing joint family remaining undivided with the widows. The Court rejected the Tribunal's inference that those continuation cases established the proposed new formation. It thus did not hold that every pre-existing HUF ceases when only women remain (physical 5 C-F/SCR 68).

On these facts the widow and daughters had inherited individual one-third shares, and the Court found no basis for forming the asserted HUF or placing those interests into it by their agreement. The inquiry concerns 1972 self-acquired-property inheritance and the stated historical tax years; it is not a ruling on a daughter's post-2005 Mitakshara coparcenary entitlement or entitlement to act as Karta (physical 5 G-6 A/SCR 68-69).

Source: [reported judgment / paragraphs SCR 66 G-68 H: prior cases, formation and express continuation distinction / PDF pages 3, 4, 5 / judicial text](#)

03 JUDICIAL DECISION

The Court answered question (i), agreement-based formation, in the negative; question (ii), impressing the inherited property with joint-family character, in the negative; and question (iii), assessment of the widow's one-third inherited share in her individual status, in the affirmative. All three answers favoured Revenue. Both appeals were allowed with no order as to costs. No remand, fresh factual inquiry or quantified tax determination was directed (physical 6/SCR 69 A-B).

Source: [reported judgment / paragraphs SCR 69 A-B: three answers, two appeals allowed, costs / PDF pages 6 / judicial text](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue on all three reference questions

Both civil appeals allowed; questions (i) and (ii) answered no and question (iii) yes; no costs

Substantive historical tax-status ruling for AYs 1974-75 and 1975-76 on separate Dayabhaga inheritance and proposed HUF formation by agreement

Historical creation-by-agreement and inherited-property facts. Existing all-female HUF continuation was expressly distinguished. No blanket current rule excluding women as HUF members, coparceners or Karta; no post-2005 Mitakshara issue decided.

Source: [reported judgment / paragraphs SCR 68 G-69 B: actual property facts and final tax-status answer / PDF pages 5, 6 / judicial text](#)

05 AKHB REVIEW POINT

Ask how the family and the property acquired their claimed character. An existing HUF continuing after deaths, individually inherited self-acquired property, and a fresh agreement to pool property are different factual routes. This judgment itself preserves the continuation distinction; a headnote suggesting that an HUF can never consist only of women would overstate its actual discussion.

A bounded later-law check is essential before quoting the judgment's broad historical language. India Code's central section 6, as substituted in 2005, gives a daughter of a coparcener rights in a Mitakshara joint family, subject to the provision's conditions and saved transactions. Vineeta Sharma (11 August 2020), paragraphs 63-65 and 129, explains daughters' coparcenary status and rights from 9 September 2005, without requiring the father to be alive on that date, and preserves the statutory savings concerning pre-20 December 2004 transactions. Its discussion presupposes the relevant Mitakshara coparcenary; it does not convert every individual inheritance into HUF property.

These selected sources prevent presenting the 2001 male-formation or female-blending language as an unqualified current rule. They do not, within the reviewed passages, directly overrule this historical Dayabhaga holding or decide a universal Karta rule. No complete modern Hindu-law, tax-clubbing or property-transfer analysis was undertaken. Comprehensive later treatment, current-law applicability and Income-tax Act, 2025 mapping remain not _verified.

Source: [reported judgment / paragraphs Historical premises and continuation distinction / PDF pages 4, 5 / judicial text](#); [bounded later personal law comparison / paragraphs Vineeta paragraphs 63-65 and 129-130; Mitakshara rights, commencement/savings and named contrary decisions / PDF pages 64, 65, 66, 119, 120, 121 / judicial text](#); [official statutory text web read / / official statutory text web read](#)

DETAILED DISPOSITION AND CONNECTED GROUPS

Proceeding outcomes

1.

Case number: Civil Appeal No. 5450 of 1997

Outcome: Allowed under common three-question disposition; no individual appeal/year allocation supplied; no order as to costs

2.

Case number: Civil Appeal No. 5451 of 1997

Outcome: Allowed under common three-question disposition; no individual appeal/year allocation supplied; no order as to costs

Costs: No order as to costs

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

Actual 1961 Act individual-versus-HUF assessment dispute reached by income-tax reference. No numbered 1961 Act section is identified in the primary judicial body; none is invented from general background.

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

S.P. Bharucha, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SPECIFIED LATER TREATMENT CHECKS AND THEIR LIMITS

1.

Case: Vineeta Sharma v. Rakesh Sharma and Ors.

Decision date: 2020-08-11

Relationship: later personal law comparison not direct treatment

Result: Selected passages explain post-2005 Mitakshara daughter coparcenary rights and savings. They do not directly address or overrule the present Dayabhaga agreement holding; no such inference made.

Source pinpoints

1.

Source url: [Open cited source](#)

Pdf pages: 64; 65; 66; 119; 120; 121

Paragraphs: Paragraphs 63-65 and 129-130

Source role: judicial text

Limit: Seven selected text pages, five images only; not a full later-case or exhaustive citator review.

OTHER STATUTORY PROVISIONS AND THEIR SEPARATE SCOPE

Historical Dayabhaga Hindu personal law; Wealth-tax Act, 1957, section 3 through the Court's discussion of Gauri Shankar Bhar, not an assessment under review; Hindu Succession Act, 1956, post-2005 section 6 in bounded later comparison only

PDF TEXT-ONLY SOURCE CHECKS AND READING LIMITS

1.

Kind: official statutory text web read

Title: Hindu Succession Act, 1956, India Code consolidation, section 6

Url: [Open cited source](#)

Source format: official PDF text read through web tool no retained original bytes

Total physical pages reported by web: 15

Physical text pages read: 3; 5; 6

Statutory unit read: Complete central section 6(1)-(5), provisos and explanations; title/application on page 3; adjoining sections 4-5 and beginning of Karnataka amendment encountered, not relied upon

Physical image pages read:

Full document read: False

All document text read: False

All document images read: False

Read bounds: Official web extraction: physical 3 for title/application, physical 5-6 for complete central section 6 and substitution footnote effective 9 September 2005. No rendered images visible. Two local download attempts timed out with zero retained PDF; no hash, bytes or local PDF-integrity claim. No complete statute or original Gazette review.

Provenance: Official India Code PDF opened and read through web extraction. Source is a PDF; omission of a hashed local pdf_pages field records absent retained bytes, not an HTML original. Requested web screenshots returned citation text only and are not counted as image reads.

Sha256: Not stated in the reviewed record

File bytes: Not stated in the reviewed record

Pdf pages: Not stated in the reviewed record

SOURCE & VERIFICATION

Hon'ble Supreme Court source PDF (reported judgment)

Identified source rendition: 6 PDF pages; SHA-256

2343a0b0b9088d5a72d29cf3525f74e6cff3d5b8bf200b5dac0f7ac08c3aeaec. Original bytes preserved.

All six physical pages and images read. Reporter title/headnote physical 1-2/SCR 64-65; appellate recital physical 2 D. One Bharucha J. judgment begins physical 2 F/SCR 65 and ends physical 6 B/SCR 69. Two civil appeals; three reference questions separately answered. No adjacent case. Unnumbered judicial paragraphs; page/band pins used.

Open cited source rendition

full primary text read: True; all primary page images reviewed: True; source integrity verified: True; actual statutory scope verified: True; all listed proceedings accounted for: True; comprehensive later treatment verified: False; current law verified: False; mapping 2025 verified: False; independent QA complete: True; parent full prose approval: True

Printed SCR heading, date, bench and complete proceedings checked against primary images. Frozen catalogue INSC identifier not independently authenticated. Judicial paragraphs unnumbered.

Primary image heading spells Smt. Sandhya Rani Dutta; frozen catalogue/OCR gives Sandhyarani DUTIA. Body and images confirm Dutta; search aliases retained in the audit.; Two appeals and two assessment years are explicit, but no appeal-to-year mapping is supplied. No numbered 1961 Act section is specified; none is inferred as an adjudicated provision.; Reporter statement that the High Court dismissed the reference is imprecise. Judicial body records three specific answers, which are separately preserved.; The historical male-member and blending statements are attributed to the 2001 Court and limited by its own distinction between formation and continuation, plus bounded later statutory/judicial caution.; Vineeta reviewed only within specified bounds; not direct treatment or a full review. India Code section 6 read as web-extracted official PDF text; raw local PDF not retained after two timeouts; no hash or image-read claim.; Earlier quoted precedents, including Pushpa Devi, Gowli Buddanna and Veerappa Chettiar, were not independently reread for this note.

Both years expressly stated in judicial facts physical 3/SCR 66 D.

Printed Civil Appeal Nos. 5450-5451 of 1997 from Patna High Court judgment 9 August 1995 in T.C. Nos. 70 and 71 of 1980. No individual appeal-to-assessment-year assignment is supplied.

STATUTORY SCOPE

No Income-tax Act, 2025 crosswalk, commencement/savings verification or automatic carryover. Complete amendment history and present applicability remain unverified.

LATER TREATMENT

Source checked 2026-10-05. Only the expressly recorded bounded comparisons or statutory checks are verified. Comprehensive later treatment, current-law applicability and 2025 mapping remain not_verified.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 6](#)

SHA-256: 2343a0b0b9088d5a72d29cf3525f74e6cff3d5b8bf200b5dac0f7ac08c3aeaec

[bounded later personal law comparison - PDF pages: 121](#)

SHA-256: 29906c43a4f83a92dd6e702d606484fbf07af96a3612cc4241eeec15e1528803

[Hindu Succession Act, 1956, India Code consolidation, section 6](#)

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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