

Rukmini Amma and Others v. Rajeswary (Dead) Through Legal Representatives and Others

Civil Appeal Nos. 1475-1476 of 2005

[2013] 5 SCR 579 | 2013-03-22

Agricultural income-tax as a personal income liability, not a land charge payable by a usufructuary mortgagee

Transfer of Property Act, 1882: section 76(c) | Indian Trusts Act, 1882: section 90 | Travancore Revenue Recovery Act, 1951: section 44 | Historical agricultural income-tax liability; the report does not identify the charging provision governing the arrears

Two-judge Bench; judgment delivered by Fakkir Mohamed Ibrahim Kalifulla, J. | B. S. Chauhan, J. | Fakkir Mohamed Ibrahim Kalifulla, J.

Historical State agricultural income-tax

The dispute concerns historical agricultural income-tax arrears and a 1964 revenue sale. It is not a holding under the central Income-tax Act, 1961, and the report does not identify the charging section governing those arrears.

Tax character decided within a mortgage dispute

The Court's tax holding answers who bore the liability under the mortgage covenants and section 76(c). It does not decide the quantum or validity of the agricultural income-tax assessment.

No current-law clearance

The result also depends on the historic mortgage deeds, the unchallenged revenue sale and section 44 of the then-applicable recovery law. Verify current statutes and later treatment before relying on it.

01 FACTS OF THE CASE

Varadaraja Naicker created successive usufructuary mortgages over the suit land in 1958, 1959 and 1961. While the mortgage subsisted, the land was attached and sold under revenue-recovery process for Rs 2,722.99 of the mortgagor's agricultural income-tax arrears. The mortgagee's son bought it at the 1964 public auction for Rs 2,820 and received the sale certificate. Nearly thirty years later the mortgagor's successors sued to redeem, alleging that the mortgage deeds required the mortgagee to pay Government dues and that the purchaser-side family had engineered the sale. The trial court dismissed the suit, but the first appellate court and High Court treated the tax as a due the mortgagee should have paid and granted redemption relief.

Source: [Mortgage deeds, tax arrears, revenue sale and procedural history / PDF pp. 7-15](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court distinguished dues imposed on land from tax on the landholder's income. Agricultural income-tax was based on the assessee's monetary return from produce across the lands held, rather than on the mere possession or extent of the particular mortgaged parcel. The mortgage covenants requiring payment of Government kist therefore covered public or land-related charges, not the mortgagor's personal income-tax liability. Section 76(c) likewise required a mortgagee in possession to pay government revenue, public charges and rent referable to the property, but did not shift the owner's personal income-tax liability. Earlier voluntary payments by the mortgagee created no estoppel against this legal construction. With no evidence supporting fraud, the purchaser's relationship to the mortgagee did not invalidate the auction.

Source: [Nature of agricultural income-tax and mortgagee's obligations / PDF pp. 15-25](#)

03 JUDICIAL DECISION

The agricultural income-tax arrears were the personal liability of the mortgagor as the person assessed on agricultural income, not Government dues attached to the mortgaged land. Neither the deeds nor section 76(c) required the mortgagee to pay them, and section 90 of the Indian Trusts Act did not alter that conclusion. The mortgagors had known of the revenue sale by at least 1971, yet never used the available process to set it aside. Section 44 of the then-applicable Revenue Recovery Act gave the auction purchaser title free from encumbrances, and the sale extinguished the redemption right.

Source: [Application, statutory limits and extinguishment of redemption / PDF pp. 21-25](#)

04 OUTCOME / IN WHOSE FAVOUR

The Supreme Court allowed the appeals without costs, set aside the High Court and first appellate court orders, and restored the trial court's dismissal of the redemption suit. The 1964 revenue sale therefore continued to govern the title.

Source: [Operative allowance and restoration / PDF p. 25](#)

05 AKHB REVIEW POINT

AKHB analysis: in secured-property and recovery work, identify whether a government demand is imposed on the property itself or on the owner's income. A covenant to pay land revenue or Government kist does not automatically transfer every personal tax liability to a mortgagee in possession. Preserve the assessment basis, the mortgage wording, the recovery notice and any auction challenge because the classification of the demand and the finality of the sale may decide the redemption issue. This decision does not validate the historic assessment amount or supply a current rule for all State agricultural taxes.

Source: [Primary reasoning underlying AKHB analysis / PDF pp. 15-25](#)

SOURCE & VERIFICATION

Supreme Court Reports scan - public eSCR mirror

The complete 25-page report was read. The reporter headnote and authorities occupy SCR 579-585 / PDF pp. 1-7; counsel and the judicial reasons begin at SCR 585 / PDF p. 7 and continue through the operative order at SCR 603 / PDF p. 25. The reporter headnote, party arguments, cited agricultural-tax authorities and the Court's own findings were distinguished. No adjoining judgment is included.

Open cited source rendition

The downloaded 25-page source exactly matches catalogue SHA-256
1a2b6f8e757e197aaa23dd863f1070d3c4e473b857129b060ad66b7bf649e3bd.

All pages were read in contiguous, untruncated ranges PDF pp. 1-9, 10-18 and 19-25; the operative order was read on PDF p. 25.

Published corpus and reviewed-release searches found no matching party identity, Civil Appeal Nos. 1475-1476 of 2005, decision date or exact source hash. The reconciliation register listed no possible published match.

The agricultural income-tax analysis is substantive: the Court distinguishes a personal tax on aggregate monetary return from public dues attached to the mortgaged land and applies that distinction to determine the mortgagee's obligation.

The Court did not adjudicate the amount or validity of the underlying agricultural income-tax assessment and did not identify the precise charging section; the note preserves those limits.

No comprehensive later-treatment or current-law conclusion has been inferred from the primary source.

STATUTORY SCOPE

This is a historical agricultural income-tax and mortgage-law ruling, not a decision under the central Income-tax Act, 1961. The report does not identify the precise charging provision under which the arrears were assessed. Verify the applicable State enactment, revenue-recovery law, contractual terms and later treatment before present reliance.

LATER TREATMENT

Source checked 2026-10-13. No comprehensive later-treatment or current-law check has been completed. The note reports the judgment and historical statutory setting considered on 22 March 2013 and does not claim that the same State tax, mortgage or recovery provisions apply unchanged today.

[Related note: S. S. Rajalinga Raja v. State of Madras](#)

[Related note: State of Uttar Pradesh v. Dr. Vijay Anand Maharaj](#)

AI DISCLOSURE

This AKBH research note was prepared with AI assistance from the identified primary source; independent human review is not represented.

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General legal and tax research only; not legal or tax advice. Verify the complete judgment, applicable statutory version and subsequent judicial treatment before reliance. The AKBH REVIEW POINT is editorial analysis, not the Court's holding. No current-law clearance is claimed.