

CIT, West Bengal III, Calcutta v. Sri Jagannath Jee (through Shebait)

Civil Appeals Nos. 1682-1683 of 1971 — Connected Revenue appeals concerning the same testamentary dedication

[1977] 2 SCR 483 | 1976-12-17

Read as a whole, this will created an absolute debutter: the deity owned the dedicated estate. Directions to spend income on shebait, family benefits and specified purposes required application after receipt, rather than diversion by overriding title. Qualifying religious and charitable income, and the Revenue's conceded exclusions, remained outside assessment (SCR 497-502).

Indian Income-tax Act, 1922 | 1922 Act: 4(3)(i) | 1922 Act: 22(2)

2-judge bench | H.R. Khanna, J. | V.R. Krishna Iyer, J.

01 FACTS OF THE CASE

Krishna Iyer J., with Khanna J., delivered one judgment on 17 December 1976 in Civil Appeals 1682-1683 of 1971, from Calcutta High Court's 14 May 1969 decision in ITR 60 of 1968. Assessment years 1956-57 and 1957-58 concerned Raja Rajendra Mullick's will of 21 February 1887. The High Court treated the deity as only a beneficiary; the Revenue argued that the estate vested in the deity (SCR 483-489).

Source: [SCR 483-502; physical PDF pages 1-20](#)

02 DISCUSSION BY THE HON'BLE COURT

Intention emerged from the instrument's entire scheme, not isolated English labels such as "trustees," nor arithmetic comparing ritual and other spending. The emphatic dedication and integrated religious-charitable purpose outweighed inconsistent drafting terminology. Family amenities were secondary management directions. Applying the distinction explained in Sitaldas Tirathdas, the shebait first received the estate's income and then spent it as directed; the will did not intercept income before accrual (SCR 490-502).

Source: [SCR 483-502; physical PDF pages 1-20](#)

03 JUDICIAL DECISION

Read as a whole, this will created an absolute debutter: the deity owned the dedicated estate. Directions to spend income on shebait, family benefits and specified purposes required application after receipt, rather than diversion by overriding title. Qualifying religious and charitable income, and the Revenue's conceded exclusions, remained outside assessment (SCR 497-502).

Source: [SCR 483-502; physical PDF pages 1-20](#)

04 OUTCOME / IN WHOSE FAVOUR

Revenue subject to preserved statutory and conceded exemptions The Revenue's appeals were allowed, with parties bearing their own costs throughout. The closing paragraph preserves all exclusions conforming to section 4(3)(i) and its Explanation, plus the earlier concession. It also prints affirmative answers to both Revenue questions. That wording creates tension with question 4's overriding-diversion formulation and the reasons rejecting diversion. The printed polarity is preserved as a source conflict, not silently rewritten (SCR 489, 501-502). Historical income-tax issue decided with the qualifications stated in this note No current-law or comprehensive later-treatment certification.

Source: [SCR 483-502; physical PDF pages 1-20](#)

05 AKHB REVIEW POINT

The operative exemption is under the 1922 Act, with assessment initiated under section 22(2). This will-construction and income-diversion ruling does not establish a present 1961/2025 exemption or later treatment. Source: supplied SCR report, [1977] 2 SCR 483-502, including the expenditure table. The 1977 report contains a 1976 decision and one opinion. Preserve the stated charitable and conceded exclusions, the application-versus-diversion reasoning and the closing answer-polarity warning together.

Source: [SCR 483-502; physical PDF pages 1-20](#)

ASSESSMENT YEARS AND LIMITS

Years: 1956-57; 1957-58

Qualification: Only the assessment years material to the issue described are listed.

REPORTED CITATION

Supplied SCR report citation; no machine-generated neutral citation substituted.

SOURCE & VERIFICATION

[Original reported Supreme Court judgment](#)

Unchanged supplied SCR report; catalog identifies a CC-BY-4.0 public eSCR mirror. Not represented as a separately fetched official signed PDF. Pinpoints identify the supplied reported judgment. The editorial headnote and counsel submissions are distinguished from the Court's reasons; specific source defects and issue limits are stated in the note.

[Open cited source rendition](#)

SCR 502 prints affirmative answers to the Revenue questions, including question 4, despite that question's diversion wording at SCR 489 and the express rejection of diversion at SCR 501-502. Printed polarity is preserved without silent repair. Parties bore their own costs throughout.

STATUTORY SCOPE

Indian Income-tax Act, 1922. The historical operative enactment is identified. Source-discussed 1961 provisions are contextual unless expressly stated; no 2025 mapping is asserted.

LATER TREATMENT

Source checked 2026-10-09. Subsequent appeals, review proceedings, stays, reversals and later treatment have not been comprehensively checked. This is not a citator status certificate.

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