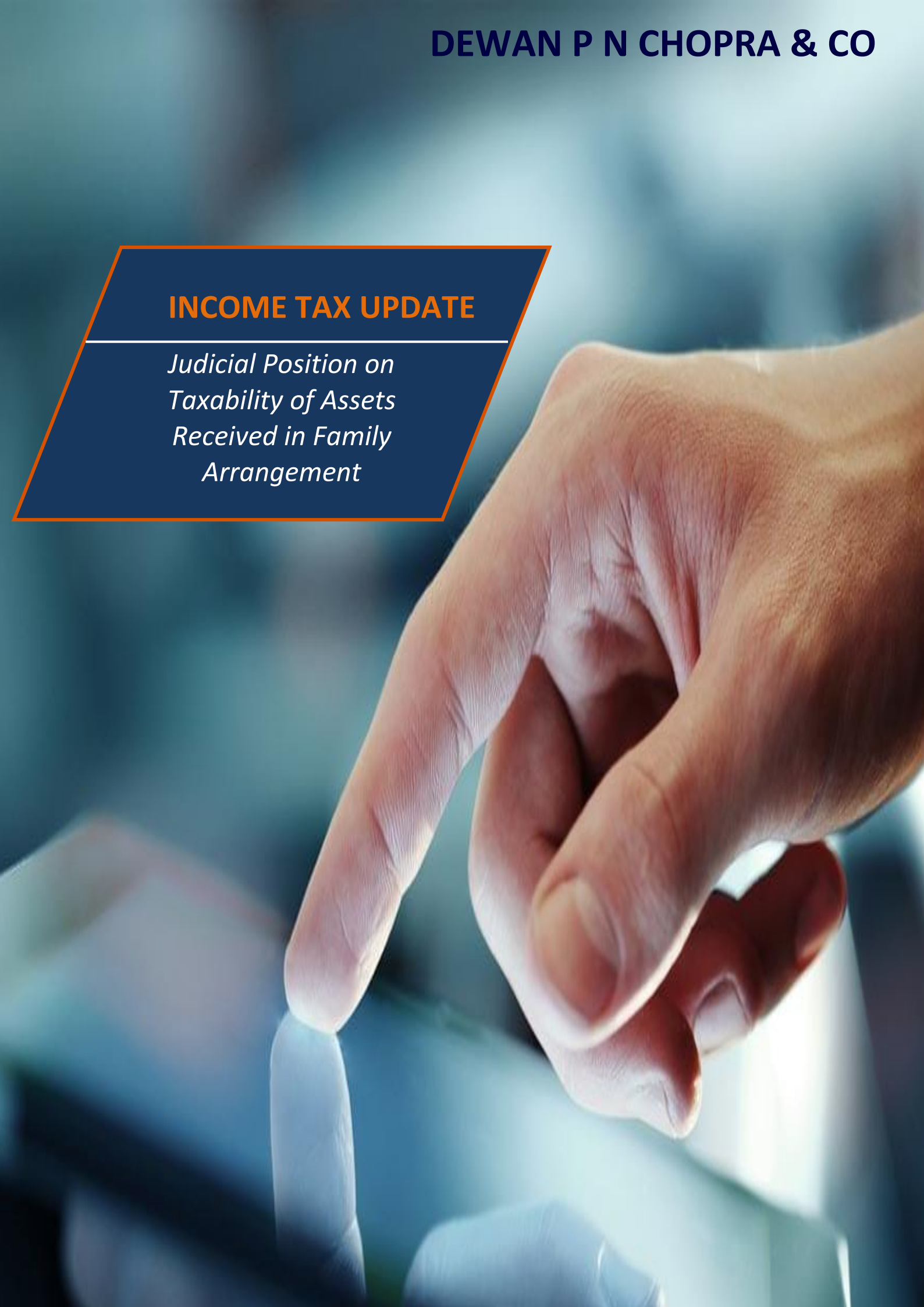


## INCOME TAX UPDATE

*Judicial Position on  
Taxability of Assets  
Received in Family  
Arrangement*



## **Judicial Position on Taxability of Assets Received in Family Arrangement**

### **Facts and Issue of the Case: -**

The assessee received an immovable property in Delhi via a registered gift deed from her brother-in-law, a Non-Resident Indian.

The transfer was made to fulfil the dying wish of the donor's father, who had purchased the property using contributions from the assessee's father-in-law, indicating it was joint family property.

### **Issue Involved: -**

The primary issue was whether the receipt of property from a brother-in-law who is not a "specified relative" under Section 56(2) should be taxed as deemed income, or if the transaction is not

taxable on the ground that it represents a transfer pursuant to a bona fide family settlement.

### **Final Judgment by ITAT: -**

The ITAT dismissed the Revenue's appeal, ruling that the gift deed was simply the culmination of a family settlement among HUF members. It concluded that Section 56(2) does not apply to such transactions as they are not "transfers" and property received from an HUF member without consideration is not deemed income.

For complete details, please refer to the ITAT order dated 04.02.2026 passed in the case of ***Income Tax Officer vs. Ratna Aggarwal; ITA No. 21/Del/2025.***

<https://itat.gov.in/public/files/upload/1770206966-bPzdDy-1-TO.pdf>

*DISCLAIMER: - The summary information herein is based on ITAT's ruling in the case of **Income Tax Officer vs. Ratna Aggarwal; ITA No. 21/Del/2025** dated 04.02.2026. While the information is believed to be accurate, we make no representations or warranties, express or implied, as to the accuracy or completeness of it. Readers should conduct and rely upon their own examination and analysis and are advised to seek their own professional advice. This note is not an offer, advice or solicitation. We accept no responsibility for any errors it may contain, whether caused by negligence or otherwise or for any loss, howsoever caused or sustained, by the person who relies upon it.*