

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

\*\*\*\*\*

**LOK SABHA UNSTARRED QUESTION NO. 1060**

ANSWERED ON 10/02/2025

**IMPACT OF SUPREME COURT JUDGEMENT ON HUF TAX BENEFITS**

**1060. Shri Asaduddin Owaisi:**

Will the Minister of FINANCE be pleased to state: -

- (a) whether the Government has taken note of the recent Supreme Court judgment endorsing the Madras High Court decision to strike down income tax exemptions for Catholic clergy, emphasizing the secular nature of tax laws;
- (b) if so, whether the Government has assessed the implications of the judgment on the tax treatment of Hindu Undivided Families (HUFs) under the Income Tax Act;
- (c) whether the Government is considering a review of the preferential tax benefits granted to HUFs in light of the principle of uniform applicability of tax laws as emphasized by the judiciary;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the measures being contemplated to ensure equitable tax policies for all communities while safeguarding constitutional guarantees of religious freedom?

**ANSWER**

**MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)**

**(a)**

The Hon'ble Supreme Court judgement has endorsed the Hon'ble Madras High Court decision dated 20.03.2019 in the case of Union of India vs The Society of Mary Immaculate (Tamil Nadu).

The Hon'ble Madras High Court has held that the State Governments are obligated to deduct tax at source (TDS) under section 192 of the Income-tax Act, 1961 while making payments in the nature of salary directly to the Teachers who are Nuns or Missionaries or members of religious congregations, who render their services in educational institutions run by Christian Religious Institutions.

Further, as per section 10(23C)(v) of the Income-tax Act, exemption from income-tax is provided to income of any trust or institution wholly for public religious purposes or wholly for public religious and charitable purposes, approved by the Principal Commissioner or Commissioner of Income-tax, subject to the condition that the income accruing thereto is properly applied for the objects thereof.

**(b)**

In view of the reply to part (a), the question does not arise.

**(c), (d) & (e)**

At present, no review or proposal is under consideration in this regard.

\*\*\*\*\*