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HUF Karta dies intestate

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 [Abhay Goel](#) (Consultant)  18 February 2011

Hi,

We have some ancestral property that belonged to the HUF (consisting my mother and myself) created by my father. My father passed away intestate in 2005 leaving behind my mother and myself as the legal heirs.

My understanding is that after the death of my father, I, being the eldest male member of the family, become the karta of this HUF with my mother and my wife being the members.

Since the HUF was created by my father, the HUF PAN Card is in his name.

We are planning to dispose off the property but am not sure how the proceeds of the sale will be taxed.

Also, none of the banks are allowing me to open an account with this HUF stating that the karta and HUF name should be the same.

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Can I create a separate HUF (since am married) and transfer the entire property to this HUF?
What would the process be?

Thanks a ton for your help.

Regards,

Abhay Goel



••• [U S Sharma](#) (glidor@gmail.com) [🕒 18 February 2011](#)

the old HUF is in name of your father, and after his death the eldest co-pancer male would get karta, its ok

untill any of the member is alive in HUF family the HUF can run/continue,

you can dispose the property tax would be in name of HUF of father only , and paid by you out of HUF accounts

no need to open new accounts in name of old HUF

you can form new HUF of your own, and it will be distinguished from the old one. here u can open bank accounts also.

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••• [Abhay Goel](#) (Consultant) [🕒 18 February 2011](#)

THanks for the response Mr. Sharma.

My problem is that my father did not have any HUF bank account and now I can not open an account for the same HUF. So I do not have a place to deposit the proceeds from the sale of

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this property.

Please advice.

Thanks in advance.



••• [U S Sharma](#) (glidor@gmail.com) [🕒 18 February 2011](#)

get in touch with a local CA of your area, he will guide you better way after looking the position of current status of HUF.

as you said there is no bank account, then the property book value is not big, then why not the HUF existing karta makes a gift deed to members and then execute the sale. but before any fruitful step, get in touch with your local CA.



••• [vishal](#) (article ass) [🕒 17 October 2012](#)

My father died 10 years ago and he was holding some shares which i transferred to my demate a/c after my father's death. my mother died 3 years ago. we are 3 brothers and 3 sisters of which i am elder and only married, others are unmarried. now i want to know that can i create my HUF and transfer shares received from my father as i have filed my return and these shares valuing RS.18 lac are not shown in my IT return as it is our ancestral property. If your answer is yes then if A.O. claim that these shares are not your ancestral property as it was in your a/c and you have transferred your own property to HUF. Does it attract clubbing provision if i transfer my father's share to my HUF ?



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••• [neel kamal](#) (colonel) [🕒 03 April 2015](#)

my father opened an HUF bank account with SBI with me(son) and my mother as joint account holder. HUF pan card as well as individual PAN cards were submitted. My father was the karta with me and my mother as members. I have two married sisters who were not part of HUF or the bank account.

My father died last month. We submitted the death certificate and an affidavit to the bank. The bank is not allowing operation of account by me (surviving male of HUF). They are asking that the name on HUF PAN card mentions my fathers name and that my name is not shown as karta. Bank is asking me to get a HUF pan card which mentions my name as the karta.

what are the rules on the above, can i get any authority.

regards



••• [URVISH SURATWALA](#) (PROPRIETOR) [🕒 03 April 2015](#)

I have one property (Shop), which came to me with legal heirs in that shop my share is 33% ,and same share shop i want to show in my HUF books of accounts. So please let me know the process, and which Tax can be applied??



••• [Harikrishna](#) (BDM) [🕒 07 October 2015](#)

There is some fund in my savings bank account which is earned by my deceased father by sale of his father's land. However, he did not create any HUF or any HUF bank account and transferred it to my account and gave it as loan to his friend. Since he was managing those transactions, I did not bother. However, now my father has expired 3 years back and his

friend has transferred back the money into my savings account saying he wanted to close some transactions. Since I did not show that in my income as it was not my personal income, I am looking to get HUF pan and open a HUF bank account and transfer it to that account. Are there any steps I should take for doing this or a simple transferring money to this account is enough? Please suggest. And also since my dad did not open any HUF and now no more, I will have to open new HUF on my name. Is there any other way to build a strong case for supporting this transaction.



••• [Miss Rinkal](#) (Student) [🕒 07 October 2015](#)

OK. Here is a possible solution that can work out for all the above problems.

You can change the name of Karta in your name as karta by making an MOU stating that all members of huf have passed resolution to change karta from old one to new one on account of death of karta. Notarize the MOU and apply for change of PAN card details wherein submit the MOU and change the karta details.

Get the new PAN CARD. Now you can transact as a normal huf



••• [U S Sharma](#) (glidor@gmail.com) [🕒 08 October 2015](#)

Originally posted by : [vishal](#)

My father died 10 years ago and he was holding some shares which i transferred to my demate a/c after my father's death. my mother died 3 years ago. we are 3 brothers and 3 sisters of which i am elder and only married, others are unmarried. now i want to know that can i create my HUF and transfer shares received from my father as i have filed my return and these shares valuing RS.18 lac are not shown in my IT return as it is our ancestral property. If your answer is yes then if A.O. claim that these shares are not your ancestral property as it was in your a/c and you have transferred your own property to HUF. Does it attract clubbing provision if i transfer my father's share to my HUF ?

1) ancestral properties comes into existence when they are sold or some taxability arise, there is no such binding to reflect the same in your personal a/c unless its encashed. ty can enjoy the dividents and other benefits viz bonus/ rights without any obligation

2) Rs 18 lacs is present market value of shares, not the cost of aquisition, (it may be much more less) as its your ancestral for you, the original cost of aquisitoin will work

3) for a little purpose its not good to form another HUF



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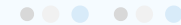
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