

V.V.R.N.M. Subbayya Chettiar v. Commissioner of Income-tax, Madras

Civil Appeal No. XXXVIII (38) of 1949

[1950] SCR 961 | 1950-12-21

HUF residence: actual control and management, evidential burden and the year-specific result.

Indian Income-tax Act 1922 section 4A(b)

Three-judge bench | Saiyid Fazl Ali J. | B.K. Mukherjea J. | N. Chandrasekhara Aiyar J.

Scope and outcome limits

Historical HUF rule, not an individual day-count test or a determination of modern company residence. Express year-specific limitation; future evidence could produce a different result. OCR header occasionally reads 1960, but judgment delivery line and reporter identify 21 December 1950.

01 FACTS OF THE CASE

The karta of a Hindu undivided family lived with his family and ran a business in Colombo. The family also had property, investments and business interests in British India. During the accounting year 1941-42 he visited India for 101 days, attended family litigation and tax proceedings and started two partnerships. The dispute was whether the HUF was resident under section 4A(b). Material correspondence that could demonstrate control of Indian affairs from Colombo was not produced.

Source: [Primary report: SCR 962-964 / PDF 2-4](#)

02 DISCUSSION BY THE HON'BLE COURT

Control and management meant actual directing power, functioning with some permanence; business activity or presence alone was not the test. Relevant affairs had to relate to income. The word wholly allowed the possibility of divided centres of control. The Court criticised treating visits and Indian activities as conclusive, but held them relevant. The HUF bore the burden of proving that control and management were wholly outside British India, and the missing evidence meant that burden was not discharged.

Source: [Primary report: SCR 964-968 / PDF 4-8](#)

03 JUDICIAL DECISION

The assessee's appeal was dismissed with costs. The HUF was treated as resident for AY 1942-43 because the exception had not been proved. The Court expressly confined the decision to that year and left future years open to proper evidence of wholly external control.

Source: [Primary report: SCR 968 / PDF 8](#)

04 OUTCOME / IN WHOSE FAVOUR

Revenue for the assessment year in dispute, on failure to discharge the evidential burden.

Source: [Primary report: SCR 967-968 / PDF 7-8](#)

05 AKHB REVIEW POINT

Document where actual decisions directing income-related affairs were made, including correspondence and instructions. Distinguish operational acts from a permanent centre of control. Do not treat 101 days of presence, overseas domicile or a prior-year result as automatically settling residence; identify the entity and governing statutory version for each year.

Source: [Primary report: SCR 965-968 / PDF 5-8](#)

SOURCE & VERIFICATION

[Supreme Court Reports primary scan — public eSCR mirror](#)

SCR 961-968; all 8 PDF pages read, including the two concurrences.

[Open cited source rendition](#)

STATUTORY SCOPE

Historical Indian Income-tax Act, 1922 only; no present statutory equivalence or current-law clearance is asserted.

LATER TREATMENT

Source checked 2026-10-18. Subsequent treatment and current-law applicability have not been comprehensively checked.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from an identified primary report. Independent human review is not represented.

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