Commissioner of Income-tax, West Bengal v. Kalu Babu Lal Chand

Civil Appeal No. 431 of 1957

[1960] 1 SCR 320 | 1959-05-15

Historical interpretation: Indian Income-tax Act, 1922, section 66(1)

Indian Income-tax Act, 1922, section 66(1)

3-judge bench | S. R. Das | N. H. Bhagwati | M. Hidayatullah

Historical statutory scope and source qualifications

Historical statutory provisions; subsequent treatment and current-law applicability have not been verified.

01 FACTS OF THE CASE

Family karta promoted and financed India Electric Works with joint-family funds and became managing director under the company articles. Rs 61,282 remuneration, previously credited to family, was claimed as personal income. Tribunal apportioned it; High Court held all personal.

Source: Primary report: SCR 322–327

02 DISCUSSION BY THE HON'BLE COURT

Company’s appointment of an individual did not resolve beneficial ownership between karta and family. Acquisition, promotion, finance and managing directorship formed an inseparably linked scheme funded entirely by family assets. Prior accounting treatment was relevant though not res judicata.

Source: Primary report: SCR 327–332

03 JUDICIAL DECISION

Whole managing-director remuneration was family income on the established facts; no apportionment challenge remained before Supreme Court.

Source: Primary report: SCR 327, 331–332

04 OUTCOME / IN WHOSE FAVOUR

Revenue appeal allowed with costs in both courts; second reference answered that all Rs 61,282 was assessable on HUF.

Source: Primary report: SCR 332

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05 AKHB REVIEW POINT

Historical attribution is fact-dependent: link between family funds and appointment mattered. Do not infer that every karta's remuneration is HUF income or claim current-law clearance.

Source: Primary report: SCR 328–332

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 13-page Supreme Court Reports scan. Any adjoining report fragments remain in the unchanged original and are excluded from this analysis.

Open cited source rendition

STATUTORY SCOPE

Historical legislation expressly identified in this note. This is not a decision under the Income-tax Act, 1961 or the Income-tax Act, 2025. Verify enacted wording, commencement, transition and subsequent judicial treatment independently before modern reliance.

LATER TREATMENT

Source checked 2026-10-23. Subsequent treatment and present-law applicability have not been comprehensively checked.

AI DISCLOSURE

This AKHB research note uses AI assistance and a preserved full-primary review, with refreshed exact original-byte verification. Independent human review is not represented.

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