Charandas Haridas and Another v. Commissioner of Income-tax and Another

Civil Appeal No. 108 of 1957

[1960] 3 SCR 296 | 1960-03-15

Historical interpretation: Indian Income-tax Act, 1922: section 66(2); HUF income and partial partition

Indian Income-tax Act, 1922: section 66(2); HUF income and partial partition

3-judge bench | S. K. Das | J. L. Kapur | M. Hidayatullah

Historical statutory scope and source qualifications

Historical partial-partition law; later statutory restrictions and current treatment not checked.

01 FACTS OF THE CASE

Two family kartas claimed that genuine partial partitions of managing-agency partnership interests ended assessment of the related commission as HUF income. The Tribunal and High Court treated the arrangement as division of receipts without division of the income-producing asset.

Source: Primary report: SCR 297–301

02 DISCUSSION BY THE HON'BLE COURT

Partnership law governed the karta’s position vis-à-vis other partners, while Hindu law governed beneficial family interests. A partition could divide the family interest without admitting family members as partners or changing the partnership agreements; physical division was not required for this kind of asset.

Source: Primary report: SCR 301–304

03 JUDICIAL DECISION

The genuine arrangement effectively divided these assets and the resulting income. There was no material justifying continued assessment of that commission as HUF income.

Source: Primary report: SCR 303–304

04 OUTCOME / IN WHOSE FAVOUR

The assessees’ appeal was allowed; respondents were to pay costs here and below, with one set in the Supreme Court.

Source: Primary report: SCR 304

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05 AKHB REVIEW POINT

Distinguish a division of an income-producing beneficial interest from mere application of income after accrual. This historical partial-partition decision must not be presented as resolving recognition of partial partitions under subsequent tax legislation.

Source: Primary report: SCR 302–304

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 9-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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