Piyare Lal Adishwar Lal v. Commissioner of Income-tax, Delhi

Civil Appeal No. 123 of 1957

[1960] 3 SCR 669 | 1960-04-26

Historical interpretation: Indian Income-tax Act, 1922: sections 7 and 10

Indian Income-tax Act, 1922: sections 7 and 10

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

Historical statutory scope and source qualifications

Fact-specific historical salary/HUF decision; current treatment not checked.

01 FACTS OF THE CASE

The HUF karta became a bank treasurer after serving as its overseer. Joint-family assets secured his fidelity. Revenue treated his remuneration as HUF business income rather than his individual salary.

Source: Primary report: SCR 670–672

02 DISCUSSION BY THE HON'BLE COURT

The agreement as a whole gave the bank due supervision and control; staff-supply and indemnity obligations were consistent with this treasurer's employment. Personal experience supported appointment, and merely lodging family property as security did not establish expenditure or detriment producing the remuneration.

Source: Primary report: SCR 672–680

03 JUDICIAL DECISION

The remuneration was salary assessable under section 7, not business profits under section 10, and belonged to the individual rather than the HUF.

Source: Primary report: SCR 680

04 OUTCOME / IN WHOSE FAVOUR

The HUF's appeal was allowed, the High Court judgment set aside, and costs awarded here and below.

Source: Primary report: SCR 680

05 AKHB REVIEW POINT

Analyse contractual control and the causal link between family assets and earnings separately. The use of family security alone did not make this personal employment income HUF income; the Court distinguished a managing-directorship financed and created through family business assets.

Source: Primary report: SCR 676–680

©AKHB & Associates | AKHB commentary/design only; no claim over reproduced statutes or judgments.

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 12-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.

PROFESSIONAL DISCLAIMER

General legal and tax research only; not legal or tax advice. Verify the complete judgment, applicable statutory version and subsequent treatment before reliance. AKHB REVIEW POINT is editorial analysis, not the Court’s holding.

©AKHB & Associates | AKHB commentary/design only; no claim over reproduced statutes or judgments.