

Raj Kumar Singh Hukam Chandji v. Commissioner of Income-tax, Madhya Pradesh

Civil Appeals Nos. 326 and 327 of 1967

[1971] 1 SCR 748 | 1970-08-11

HUF taxation: whether managing-director remuneration was individual income or family income.

Indian Income-tax Act, 1922: HUF income principles

3-judge bench; unanimous judgment delivered by K. S. Hegde, J. | J. C. Shah, J. | K. S. Hegde, J. | A. N. Grover, J.

Assessment years: 1954-55

Historical statutory setting

The ruling applies historical HUF income principles under the repealed 1922 Act; current provisions and later treatment were not checked.

Fact and procedural limits

Apply the holding only within the facts, statutory text and procedural posture described in the primary report.

No current-law clearance

Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

01 FACTS OF THE CASE

The assessee's family owned company shares acquired with family funds, and dividends were credited to the family. The assessee was elected managing director and received salary for personal services (SCR pp.748-755; PDF pp.1-8).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

The controlling test is whether remuneration is substantively a return on family investment or compensation for the coparcener's services. Family qualification shares or opportunity do not change personal-service income where there is no family detriment or investment nexus to the payment (SCR pp.755-760; PDF pp.8-13).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court allowed the appeal, answered that the remuneration was the assessee's individual income and awarded costs against the Department (SCR pp.759-760; PDF pp.12-13).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee: managing-director remuneration was not HUF income (SCR pp.759-760; PDF pp.12-13).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: document the causal source of remuneration—capital deployment or personal responsibility and skill. A family-funded qualification share is relevant but not conclusive; current law and facts require separate review (based on SCR pp.758-760; PDF pp.11-13).

Source: [Primary judgment: review point](#)

SOURCE & VERIFICATION

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

Full 13-page SCR source asset read in page-preserving text and visually inspected; adjacent-report boundaries were checked.

[Open cited source rendition](#)

Exact source bytes, SHA-256 and 13-page count match catalogue asset 1971_1_748_760; every page was read and visually inspected.

The source verifies the stated case identity, bench, statutory issue and operative order.

No exact source-hash, asset-ID, SCR-citation, docket or same-judgment match was found in the published corpus or reviewed archive.

STATUTORY SCOPE

The ruling applies historical HUF income principles under the repealed 1922 Act; current provisions and later treatment were not checked.

LATER TREATMENT

Source checked 2026-10-11. Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from the identified primary report and has not been represented as independently human-reviewed.

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General legal and tax research only; not legal or tax advice. Verify the original judgment, the governing historical statute and subsequent judicial treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding, and no current-law clearance is claimed.