

Trustees of Gordhandas Govindram Family Trust, Bombay v. Commissioner of Income-tax, Bombay

Civil Appeal Nos. 2382-2383 of 1969

[1973] 2 SCR 1050 | 1972-11-28

Wealth tax: joint trustees were assessable and a family-dominant trust was not a public charitable trust.

Wealth-tax Act, 1957: sections 3, 5(1)(i), 21 and 27(1) | General Clauses Act, 1897

3-judge bench; unanimous judgment delivered by K. S. Hegde, J. | K. S. Hegde, J. | P. Jaganmohan Reddy, J. | H. R. Khanna, J.

Assessment years: 1957-58, 1958-59

Historical statutory setting

This is historical Wealth-tax Act jurisprudence, not current charitable-trust or wealth-tax clearance.

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

Four settlors created an Rs.11 lakh family trust that prioritized poor Seksaria family members and family maintenance and marriage benefits, with benefits to other Vaishya Hindus only later. The trustees contested assessability and claimed public-charitable exemption (SCR pp.1050-1053; PDF pp.1-4).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

The Act's context allowed individual to include joint trustees as an assessable unit. Reading the deed as a whole, the family-preference and priority clauses made the dominant purpose private; the broader residual benefit was marginal and did not create a public charitable trust (SCR pp.1053-1056; PDF pp.4-7).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

Both appeals were dismissed with costs and one hearing fee (SCR p.1056; PDF p.7).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue on both assessable-unit and exemption issues (SCR pp.1055-1056; PDF pp.6-7).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: read the entire deed, especially priority and family-preference clauses and their practical capacity to absorb income. Analyze assessable-unit status separately from exemption (based on SCR pp.1053-1056; PDF pp.4-7).

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

SOURCE & VERIFICATION

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

Full 7-page SCR source asset read in page-preserving text and visually inspected; adjacent-report boundaries were checked.

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Exact source bytes, SHA-256 and 7-page count match catalogue asset 1973_2_1050_1056; every page was read and visually inspected.

The source verifies the stated 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

This is historical Wealth-tax Act jurisprudence, not current charitable-trust or wealth-tax clearance.

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.