

G. Murugesan and Brothers v. Commissioner of Income-tax, Madras

Civil Appeal Nos. 685-690 of 1970

[1973] 3 SCR 515 | 1973-02-08

Association of persons: joint shareholding and dividend receipt did not alone prove voluntary common purpose.

Indian Income-tax Act, 1922: sections 3 and 66(1)

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 to 1962-63

Historical statutory setting

The ruling construes the repealed 1922 Act and does not provide current entity-status clearance.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 brothers jointly held company shares, received dividends in a common account and divided them equally. They filed AOP returns for the first two years but later said their interests had been divided and returned the income individually (SCR pp.516-518; PDF pp.2-4).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

An AOP requires voluntary combination for a common income-producing purpose. Joint title and receipt alone are insufficient. The unwithdrawn early AOP returns were admissions; for later years, the express assertion of individual receipt was unrebutted and needed no prescribed withdrawal form (SCR pp.518-520; PDF pp.4-6).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

Appeals for the first two years were dismissed without costs; appeals for the later four years were allowed with costs and the reference answered for the assessees (SCR p.521; PDF p.7).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

Mixed result: AOP status for the first two years, individual treatment for the later four (SCR pp.519-521; PDF pp.5-7).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: joint ownership and mechanical allocation of passive income do not prove an AOP. Document voluntary common purpose and joint management; prior returns remain strong admissions (based on SCR pp.518-521; 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_3_515_521; 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

The ruling construes the repealed 1922 Act and does not provide current entity-status 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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