



CARDAMOM PLANTERS' ASSOCIATION COLLEGE

(Re-accredited with 'B' Grade by NAAC)

Pankajam nagar, Bodinayakanur – 625 582

PG and research department of commerce

Hindu Undivided Family



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Hindu Undivided Family (H.U.F)

Hindu undivided family as per income tax has a separate independent unit. The Income Tax act has not define the meaning of Hindu undivided family. Hence the Hindu law given the definition according to Hindu law. Hindu undivided family consists of all male persons jointly descended from the common ancestor and includes their wives and unmarried daughters and also a stranger who has been adopted from the family.

Common Property

The common property of HUF consists of the following

1. Ancestral property
2. Any other property of the family acquired by the said ancestral property

Any property acquired by the Member of family by its personal efforts

Karta

The Senior most male person of the family in ordinary regard of the Karta of the family. If he surround its rights of management a junior male member may be appointed as a Karta

~~Two~~ Schools of thoughts

1) Mitakshara it applies to be whole of India except the States of West Bengal, Assam and some parts of Orissa.

According to this school the son acquires an interest in his father's ancestral property by mere Birth and has a right to demand participation

Illustration - 7 (Pg. No. 541)

From the following particulars of a Hindu undivided Family, having one member whose individual total taxable income is more than ₹ 7,50,000, compute the total income and tax liability of the H.U.F. for the Assessment year 2022-23.

i) Profit from Business ₹ 6,00,000 after charging ₹ 1,20,000 salary paid to the manager of the family, ₹ 70,000 salary paid to the manager's son, and ₹ 5,000 as unrecoverable loan given without interest to the manager's brother - in law who business failed. In both cases the salary has been paid for during active work in the business.

ii) The manager of the family received ₹ 10,000 as Director's fees from a company in which invention and possessed technical qualification.

iii) Dividends received from the aforesaid company ₹ 1,500

iv) One member of the family is a government servant. He received ₹ 6,18,000 as salary from the government.

Computation of Total Income H.U.F
for the assessment year 2022-23

Particulars	₹	₹
1. Income from Business Profit	66000	
(+) Item not allowed: Irrecoverable Loan	5000	66500
2. Income from other sources Dividends		1500
Gross Total Income		665500
(-) Deduction		-
Total Income of H.U.F		665500

Computation of Tax Liability of H.U.F
for the assessment year 2022-23

Particulars	Tax Rate	Tax amount
on the first ₹150000	-	Nil
next ₹150000	5%	18500
Balance 165500	20%	33300
		45800
(+) less		
Educational less	2%	916
Higher Education less	1%	458
Swatch Bharatn	1%	458
Tax Liability of H.U.F		47632