Qamar Shaffi Tyabji v. Commissioner, Excess Profits Tax, Hyderabad

Civil Appeals Nos. 324 and 325 of 1957

[1960] 3 SCR 546 | 1960-04-18

Historical interpretation: Hyderabad Excess Profits Tax Act: section 48(3)

Hyderabad Excess Profits Tax Act: section 48(3) | Indian Contract Act, 1872: section 194

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

Historical statutory scope and source qualifications

Current treatment not checked.

01 FACTS OF THE CASE

The Industrial Trust Fund trustees delegated their managing and selling agency of two mills to the appellant under a 1938 agreement. He received monthly remuneration and commission but argued he was an employee rather than conducting business for excess-profits-tax purposes.

Source: Primary report: SCR 547–551

02 DISCUSSION BY THE HON'BLE COURT

The original agency agreements authorised nomination of another agent with the mills' approval. Under section 194 the appellant was an agent of the principals, not merely a servant or sub-agent. Extensive management powers, tenure, remuneration and termination terms showed a business undertaking despite general trustee control and non-assignment.

Source: Primary report: SCR 551–553

03 JUDICIAL DECISION

On the agreements read as a whole, the appellant carried on a managing-agency business; the remuneration and commission were business income liable to excess profits tax.

Source: Primary report: SCR 552–553

04 OUTCOME / IN WHOSE FAVOUR

Both assessee appeals were dismissed with one set of costs.

Source: Primary report: SCR 553

05 AKHB REVIEW POINT

Determine employment versus agency from contractual powers and actual control, not a payment's label or the individual status of the recipient. Preserve the historical Hyderabad tax context.

Source: Primary report: SCR 551–553

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SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 8-page Supreme Court Reports scan. Any adjoining report fragments remain in the unchanged original and are excluded from this analysis.

Open cited source rendition

Primary image at SCR 547 / PDF 2 reads Civil Appeals 324 and 325 of 1957 and High Court judgment dated 10 April 1953. Prior draft 824/825 and 1958 were OCR errors, now corrected.

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.

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