Shoorji Vallabhdas & Co., Bombay v. Commissioner of Income-tax/Excess Profits Tax, Bombay

Civil Appeal No. 305 of 1955

[1960] 3 SCR 557 | 1960-04-19

Historical interpretation: Indian Income-tax Act, 1922: section 4(1)(b)(i)

Indian Income-tax Act, 1922: section 4(1)(b)(i) | Excess Profits Tax Act, 1940: section 5 third proviso | Indian Income-tax Act 1922, section 14(2)(c)

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

Historical statutory scope and source qualifications

Historical territorial-accrual case, distinct from the later Shoorji Vallabhdas real-income decision; current treatment not checked.

01 FACTS OF THE CASE

Managing agents of three shipping/trading companies claimed that part of their commission accrued outside British India because freight was collected and commission received in Cochin. The Tribunal found that practically all genuine managing-agency services were performed in Bombay.

Source: Primary report: SCR 558–564

02 DISCUSSION BY THE HON'BLE COURT

The place where the services earning commission were performed governed accrual; a percentage-of-freight calculation and receipt arrangements did not establish foreign performance. The Court distinguished the managed company's business from the managing agents' services and left theoretical apportionment questions open.

Source: Primary report: SCR 564–569

03 JUDICIAL DECISION

On the factual findings, the commission accrued in Bombay. The High Court correctly answered the reference against the agents.

Source: Primary report: SCR 568–570

04 OUTCOME / IN WHOSE FAVOUR

The assessee appeal was dismissed with costs.

Source: Primary report: SCR 570

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05 AKHB REVIEW POINT

Identify the actual income-producing services before using a payment place or remuneration formula to infer accrual. The decision does not establish that managing-agency income can never be apportioned where real services occur at several places.

Source: Primary report: SCR 568–570

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 14-page Supreme Court Reports scan. Any adjoining report fragments remain in the unchanged original and are excluded from this analysis.

Open cited source rendition

Docket visually verified at SCR 558 / PDF 2: Civil Appeal 305 of 1955; no docket inferred from OCR.

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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