

P. V. Raghava Reddi and Another v. Commissioner of Income-tax

Civil Appeals Nos. 325 and 326 of 1960

[1962] Supp. 2 SCR 596 | 1962-01-16

Non-resident commission: statutory agency and receipt through funds credited and held at the foreign agent's disposal.

Indian Income-tax Act, 1922: sections 4(1)(a), 4(1)(c), 18, 40, 42 and 43

5-judge bench; unanimous judgment delivered by M. Hidayatullah, J. | B. P. Sinha, C.J. | J. L. Kapur, J. | M. Hidayatullah, J. | J. C. Shah, J. | J. R. Mudholkar, J.

Assessment years: 1949-50, 1950-51

Historical statutory setting

Historical receipt, statutory-agent and exchange-control setting; no current sections 5, 9, 195 or treaty clearance.

Source and scope caution

The holding does not state that every credit entry is receipt.

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

The Gudur mica exporter retained a non-resident Japanese agent. Exchange controls prevented remittance, so commission included in Indian receipts was credited to a separate account under the agent's instructions and held subject to its directions (SCR pp.598-600; PDF pp.3-5).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

The business connection supported statutory agency. Section 4(1)(a) independently reached actual receipt. After contractual credit the firm held segregated funds as deposit for the Japanese company and at its disposal; actual directions over part confirmed control (SCR pp.600-605; PDF pp.5-10).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The appeals were dismissed with costs and one hearing fee; the High Court answer for Revenue stood (SCR p.605; PDF p.10).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue on agency and Indian receipt (SCR pp.600-605; PDF pp.5-10).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: distinguish a unilateral book entry from contractual appropriation where segregated funds are immediately available to the non-resident's instructions. Document mandate, control and actual directions.

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

SOURCE & VERIFICATION

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

Full 10-page SCR asset read and visually inspected; adjacent Southern Roadways text at the start was excluded.

[Open cited source rendition](#)

Catalogue source S_1962_2_596_605: SHA-256

6f22b34b7f41158cbbb33163ea3e32d66d0c0de402e2b1b27eee060d6d7a92e6, 10 pages, read and visually inspected in full.

The published original preserves the exact catalogue bytes and verified hash.

The source verifies identity, bench, provisions, opinion structure and operative order.

No exact source-hash, asset-ID, SCR-citation, docket or same-judgment publication match was found.

STATUTORY SCOPE

Historical receipt, statutory-agent and exchange-control setting; no current sections 5, 9, 195 or treaty 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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