

# Southern Roadways Private Ltd. v. Union of India and Another

Petition No. 143 of 1961

[1962] Supp. 2 SCR 594 | 1962-01-16

## Development rebate: constitutional challenge to exclusion of road transport vehicles rejected.

Income-tax Act, 1922: section 10(2)(vi-b), second proviso | Taxation Laws (Amendment) Act, 1960 (Act 28 of 1960) | Constitution of India: Articles 14 and 32

5-judge bench | B. P. Sinha, C.J. | J. L. Kapur, J. | M. Hidayatullah, J. | J. C. Shah, J. | J. R. Mudholkar, J.

Assessment years: 1960-61

### Historical development-rebate provision

The decision concerns the 1922 Act's specific exclusion and an Article 14 challenge. It does not determine present depreciation or investment-incentive eligibility.

## 01 FACTS OF THE CASE

The transport company owned buses and lorries and claimed development rebate for assessment year 1960-61. The Income-tax Officer denied the claim for transport vehicles under the second proviso to section 10(2)(vi-b). The company petitioned under Article 32, contending that excluding office appliances and road transport vehicles while allowing rebate for other machinery offended Article 14.

Source: [SCR pp. 595-596](#) / [PDF pp. 2-3](#)

## 02 DISCUSSION BY THE HON'BLE COURT

The Court reproduced the relevant allowance and its exclusions. It rejected the premise that the Constitution prevented the legislature from selecting among classes of machinery for the development-rebate concession. The classification made by the provision was not constitutionally prohibited. The short judgment addresses this particular classification rather than announcing that every fiscal distinction is immune from challenge.

Source: [SCR pp. 595-596](#) / [PDF pp. 2-3](#)

### 03 JUDICIAL DECISION

The petition was dismissed as without merit, the rule was discharged, and the petitioner was directed to pay the respondents' costs. The challenge to the exclusion therefore failed.

Source: [SCR p. 596 / PDF p. 3](#)

### 04 OUTCOME / IN WHOSE FAVOUR

The Union/Revenue succeeded against the constitutional challenge. The judgment did not restore the transport company's disallowed development rebate.

Source: [SCR p. 596 / PDF p. 3](#)

### 05 AKHB REVIEW POINT

AKHB analysis: identify the precise incentive, eligible asset class and statutory exclusion before advancing a constitutional challenge. This case supports the permissibility of the particular development-rebate classification examined. It should not be cited as a blanket validation of every tax distinction or as a current allowance rule. Keep it distinct from the separate 1974 Southern Roadways development-rebate decision.

Source: [AKHB analysis based on SCR pp. 595-596 / PDF pp. 2-3](#)

### SOURCE & VERIFICATION

#### Supreme Court Reports scan - public eSCR mirror

Full three-page SCR source read; Southern Roadways begins partway through SCR p. 594 and ends before the next case on p. 596. Adjacent judgments are not part of this holding.

#### Open cited source rendition

Full original source PDF read; exact downloaded bytes match the source catalogue SHA-256.

The same SCR scan is indexed on the Calcutta High Court website. The official historical citation list confirms 16 January 1962 and Petition143/1961.

### STATUTORY SCOPE

The case applies the historical Income-tax Act, 1922 provision as amended in 1960. No automatic crosswalk to the 1961 or 2025 Acts, and no conclusion about current incentives, is made.

### LATER TREATMENT

Source checked 2026-10-10. The complete identified judgment/order has been checked. Later proceedings, statutory amendments and comprehensive subsequent judicial treatment have not been verified; this note does not represent current citator clearance.

**AI DISCLOSURE**

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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