

The Mahalaxmi Mills Ltd. v. Commissioner of Income-tax, Bombay and connected appeals

Civil Appeal Nos. 599-602 of 1962

[1964] 5 SCR 216 | 1963-10-23

How earlier depreciation under Saurashtra and Bhavnagar enactments affected written-down value after extension of the 1922 Act

Saurashtra Income-tax Ordinance, 1949: section 13(5)(b) | Indian Income-tax Act, 1922: section 10(5)(b) | Taxation Laws (Part B States) (Removal of Difficulties) Order, 1950: paragraph 2

Three-judge bench; judgment delivered by K. C. Das Gupta, J. | A. K. Sarkar, J. | M. Hidayatullah, J. | K. C. Das Gupta, J.

Historical ruling; verify current law

This judgment applies historical legislation and facts. Do not treat this note as a current-law or citator-status certificate.

01 FACTS OF THE CASE

Bhavnagar businesses disputed reductions to written-down value after Saurashtra and then the Union income-tax regime applied. The Officer deducted depreciation that would have been allowable earlier and depreciation availed under the Bhavnagar War Profits Act.

Source: [Primary judgment: facts and procedural setting](#)

02 DISCUSSION BY THE HON'BLE COURT

The phrase "would have been allowed" meant depreciation that should have been allowed on a proper claim if the 1922 Act had applied. Once the Central Government made the Removal of Difficulties Order, the assessing officer applied its terms without re-deciding whether a difficulty arose in each case. The War Profits Act fell within the Order's business-profits-tax language.

Source: [Primary judgment: reasoning](#)

03 JUDICIAL DECISION

Both the notional earlier depreciation and depreciation actually availed under the Bhavnagar War Profits Act reduced written-down value under the respective transitional provisions.

Source: [Primary judgment: holdings](#)

04 OUTCOME / IN WHOSE FAVOUR

All assessee appeals dismissed with one set of costs.

Source: [Primary judgment: operative disposition](#)

05 AKHB REVIEW POINT

AKHB analysis: for legacy written-down-value disputes, reconstruct the exact transitional chain and distinguish depreciation actually allowed from depreciation deemed allowable under the governing text.

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

SOURCE & VERIFICATION

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

Complete 15-page SCR report read in page-preserving text and every page image inspected, from the reported opening page through the operative disposition.

[Open cited source rendition](#)

Exact catalogue SHA-256 and 15-page count verified; every page was read and visually inspected.

STATUTORY SCOPE

Historical statutory provisions are described as they appeared in the report. Verify the current enactment, amendments and later judicial treatment before reliance.

LATER TREATMENT

Source checked 2026-10-12. No comprehensive later-treatment or present-law clearance is represented. The note reports the historical statutory text and result in this primary report only.

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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General legal and tax research only; not legal or tax advice. Verify the complete judgment, governing statutory version and subsequent judicial treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding, and no current-law clearance is claimed.