

Hukumchand Mills Ltd. v. Commissioner of Income-tax, Central Bombay & Others

Civil Appeals Nos. 411 to 415 of 1965

[1967] 1 SCR 463 | 1966-09-22

Appellate Tribunal jurisdiction: within the appeal's subject matter, section 33(4) permitted a new supporting ground and remand for fact-finding despite procedural rules not expressly covering the course.

Indian Income-tax Act, 1922: sections 10(2)(vi), 10(5)(b), 31, 33(4), 66(1) and 66A | Taxation Laws (Part B States) (Removal of Difficulties) Order, 1950: paragraph 2 | Appellate Tribunal Rules, 1946: rules 12, 27 and 28

3-judge bench | J. C. Shah, J. | V. Ramaswami, J. | V. Bhargava, J.

Assessment years: 1950-51, 1951-52, 1952-53

Historical Tribunal and transition provisions

The ruling applies section 33(4) of the 1922 Act, 1946 Rules and a Part B States removal-of-difficulties order. Its reasoning must be checked against current section 254, current rules and later precedent.

01 FACTS OF THE CASE

Hukumchand Mills, an Indore textile company, became assessable as a resident after the 1922 Act was extended to Part B States from 1 April 1950. For AYs 1950-51 to 1952-53, the dispute concerned written-down value for depreciation. The assessee said only depreciation actually allowed under the 1922 Act could reduce original cost; the Department relied on depreciation allowed under Indore Industrial Tax Rules and paragraph 2 of the 1950 Removal of Difficulties Order. Although the officer had not used that ground, the Tribunal permitted the Department to raise it and remanded for findings on whether depreciation had actually been allowed under qualifying rules. The High Court upheld the conditional application of paragraph 2. Three assessee appeals challenged the Tribunal's power to admit the ground and remand; two Revenue appeals challenged the separate answer concerning 'all depreciation actually allowed.'

Source: [Part B State history, depreciation dispute, new ground and remand: SCR pp.464-466 / PDF pp.2-4](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court treated section 33(4)'s words 'pass such orders thereon as it thinks fit' as broad, while recognising that 'thereon' confines jurisdiction to the subject matter of the appeal. The subject matter was the proper written-down value of the assets, so the Department could support the first appellate result on the additional Part B States ground and the Tribunal could direct further factual inquiry. Rules 12 and 28 did not exhaust or control the statutory power; the 1946 Rules were procedural. The Tribunal could therefore ask whether qualifying Indore-rule depreciation had actually been allowed and, if so, direct its consideration. The Court did not decide an unrestricted power of enhancement. On the Revenue's separate appeals, it followed *Nandlal Bhandari Mills* and held the High Court's answer correct without reproducing the referenced case's reasons.

Source: [Section 33\(4\), appeal subject matter and remand power: SCR pp.466-468 / PDF pp.4-6](#)

03 JUDICIAL DECISION

The Court rejected the assessee's jurisdiction argument and dismissed Civil Appeals Nos. 411-413 of 1965 without costs. It also held the High Court's answer in the Revenue's Civil Appeals Nos. 414-415 of 1965 correct for the reasons in *Nandlal Bhandari Mills* and dismissed those appeals without costs.

Source: [Separate dispositions of assessee and Revenue appeal groups: SCR p.468 / PDF p.6](#)

04 OUTCOME / IN WHOSE FAVOUR

Mixed outcome. The Revenue prevailed on the Tribunal-power issue because the assessee's three appeals failed; the assessee retained the High Court's answer on the separate depreciation question because the Revenue's two appeals also failed. All five appeals were dismissed and no costs were ordered.

Source: [Mixed operative outcome: SCR p.468 / PDF p.6](#)

05 AKHB REVIEW POINT

AKHB analysis: before raising or resisting an additional Tribunal ground, define the appeal's subject matter precisely, explain how the ground supports or changes the challenged order, identify required fact-finding and ensure the affected party has a real opportunity to answer. Do not reduce *Hukumchand Mills* to an unlimited 'new grounds allowed' rule: the judgment ties power to the matter already in appeal and does not finally endorse enhancement. For current practice, independently verify section 254, current rules and later precedent.

Source: [AKHB analysis based on subject-matter limits, procedural fairness and remand power](#)

SOURCE & VERIFICATION

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

Full 6-page SCR source file read. The editorial headnote on PDF p.1 was distinguished from the unnumbered judicial text on PDF pp.1-6; both appeal groups and their separate dispositions were reviewed.

Open cited source rendition

Exact source bytes, SHA-256 and six-page count match catalogue asset 1967_1_463_468; every page was read.

The source verifies Civil Appeals Nos. 411-415 of 1965, decision date 22 September 1966 and the three-member bench.

The wider section 33(4) discussion still recognises that 'thereon' confines the Tribunal to the appeal's subject matter and notes only a possible exclusion of enhancement power.

The two Revenue appeals were separately dismissed by reference to Commissioner of Income-tax v. Nandlal Bhandari Mills Ltd.; this record does not reproduce or independently re-decide that authority's reasons.

No title, citation or party match for this judgment was found in the existing published case collection or reviewed archive; later notes merely cite Hukumchand Mills.

STATUTORY SCOPE

This decision construes section 33(4) of the repealed Indian Income-tax Act, 1922, historical Part B State transition rules and the 1946 Tribunal Rules. Current section 254 practice and later procedural doctrine have not been checked.

LATER TREATMENT

Source checked 2026-10-10. Later judicial treatment, current Tribunal procedure and the present statutory analogue have not been comprehensively checked; no current-law or citator clearance is represented.

AI DISCLOSURE

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